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The Nation's Business

Government Finds Merger Loophole But May Not Crawl Out
Baldwin Outlines Britain's Fiscal Policy
Immigration Scene Shifts to Provinces
Net Loss to States Still Continues

MR. ROBB, as usual, makes a brief and sensible statement of the case when he outlines the reasons why he gave his consent to the institution of formal negotiations for a merger of the Standard Bank with the Canadian Bank of Commerce. The reasons he gives are those that are generally recognized as the underlying motives of the present tendency to concentrated banking power.

Yet, if we mistake not, the statement confirms the previous hint given in The Financial Post that the government was very much taken aback by the public's reaction to the merger. There was no hint before that the merger would receive other than complete approval. Now Mr. Robb points out that he only gave permission to negotiate and that the government has yet to approve the merger contract. By pointing out that full publicity was requested in order that the government should have a full cross-country opinion of the question by the time the proposal reaches it, he leaves the door open for the cabinet to bar the merger.

The Financial Post has re-published practically every editorial that has appeared in the Canadian Press on this question and they were by no means unanimous for or against the deal, although there was strong current of opinion in opposition, outweighing, perhaps, the approving screeds.

* * *

THE cabinet is now in a decidedly embarrassing position. If it refuses to permit the merger it will merely confirm the growing suspicion that permission to negotiate was granted without serious discussion by the whole cabinet. One may conclude that the merger will go through and receive government approval.

The merger has a sound economic basis, but from the reaction of the press and the public, The Financial Post feels that it was thoroughly justified in the stand it took earlier, that the merger would only tend to arouse public concern as to the good intentions of our higher banking executives.

* * *

THERE has never been any real secret of the fact that Premier Stanley Baldwin's cabinet has been sharply divided on the question of what the government's policy should be on the question of protection. But with an election looming for 1929, or at latest 1930, it was necessary that a united front should be presented. Mr. Baldwin has apparently gotten his men together and told them what the government's policy was going to be and now he has adopted a subtle expedient to let the nation know as well. He has written a letter to the chief whip and the letter has been published. And it tells with commendable conciseness and definiteness just what the government's policy is. To us in Canada the policy holds out little hope of preferential tariffs favoring this country.

Here is briefly Mr. Baldwin's policies:

1. There will be no general protective tariff.
2. There will be no taxes of any kind on food.
3. The principle of safeguarding key industries will be continued. There will be modifications and industries that want consideration will be heard.
4. Industry will be given relief not through protection but by the rerating of all productive plants, granting them reductions in their local taxes.

* * *

SOME months ago The Financial Post hinted at the possibility of a preferential tariff that would give beneficial rates to some Canadian products, such as dairy products, bacon, etc. It may now be revealed that the information came from a member of Mr. Baldwin's cabinet, who also hinted that nothing would be done until after the next election. But in the face of Mr. Baldwin's plain statement of the policy that has finally been agreed upon, Canada had better not count on any British preferential arrangement on any of our food products. Rather we will have to rely upon the voluntary preference being created by publicity paid for by the British Government.

Britain has committed itself to the rating scheme to assist industry and protection is laid on the shelf for quite some time yet.

* * *

THE immigration scene in Canada shifts to the provinces. Lord Lovat has been at Ottawa and if one may read between the lines of the statements handed out to the press he did not get much satisfaction from the Dominion Government, which is quite as much attached to its moribund immigration policy as it ever was. But at the same time the provinces are eager to attract new immigrants and they have apparently decided to take steps to speed up the population movement since the Dominion Government seems willing to do little.

Premier Ferguson of Ontario, it is certain, will shortly be able to announce an extensive immigration programme for his province. New Brunswick has already taken steps to act independently of Ottawa in bringing immigrants to Canada. Nova Scotia, Manitoba, Alberta and British Columbia are working out the details of extensive migration schemes.

It may be that after all the solu-

(Continued on page 2, col. four)

DIVIDEND CUT NOT UNLIKELY IN TWIN CITY

4% Rate Barely Earned in First Six Months

FIXED CHARGES UP

Company Evidently Averse to Forcing Higher Fare in St. Paul Where Paving Levy Onerous

Diminishing earnings of Twin City Rapid Transit Co., which has a monopoly of street-railway and public motor-vehicle transportation in Minneapolis, St. Paul and nearby communities, is causing many Canadian shareholders to wonder what the future has in store.

Like all other street-railways, Twin City suffered severely during the war and immediately after when commodity prices were high. But with the deflation of commodities and the gradual readjustment in fares, many of the street railways have begun to come back as satisfactory earners.

Hope Deferred

There have been hopes for Twin City. Its management has seized every opportunity to widen its earning power until now not only the buses, but the taxicabs in the two principal cities of the Northwestern States are owned by the street-railway company.

Politics of progressive stripe have dogged the company but the company has won most of its battles with the state authorities and in the courts. A property valuation equitable in the view of the company has been fixed and it has been promulgated that the fares shall be sufficient to net the company 7½ per cent. on that valuation.

Six Rides for 40 Cents

The present street-railway fare is eight cents cash or six tokens for 40 cents in the Twin Cities, with zone fares in suburban areas. The return is fairly satisfactory in Minneapolis and the suburban areas, but is inadequate in St. Paul. The state authorities allowed it to be known that they would authorize an increase in fares in St. Paul unless the street-railway was relieved of a portion of the paving tax. The voters, at a special election, have declined to sanction relief from the paving tax.

The management of the company so far has refrained from any step leading to an increase in fare in St. Paul which would result in a higher fare in one part of the metropolitan area covered by the transportation system. No information has been given out as to what the next step will be, but apparently the management is averse to a move which will antagonize St. Paul patrons of the street-railway.

1928 Below Average

Average net income of the company, available for dividends on preferred and common stock, for the last ten years has been $1,164,768. The ten-year record is as follows:

1918	$1,079,468
1919	1,133,729
1920	1,115,298
1921	1,093,837
1922	1,110,438
1923	1,099,069
1924	1,269,009
1925	1,037,427
1926	1,436,805
1927	1,272,601
*1928	573,672
Average 10 years	$1,164,768

* Half year.

If the average for the ten years were to be maintained, it would seem that the present dividend of 4 per cent. on the common would not be in danger. The 4 per cent. requires $880,000 annually, and the preferred 7 per cent. requires $210,000, or $1,090,000 in all. The cash position of the company is fairly good.

But apparently the company will not earn present dividends in the current year. Income for the first half of 1928 is materially less than the income for the first half of 1927. The comparative statement follows:

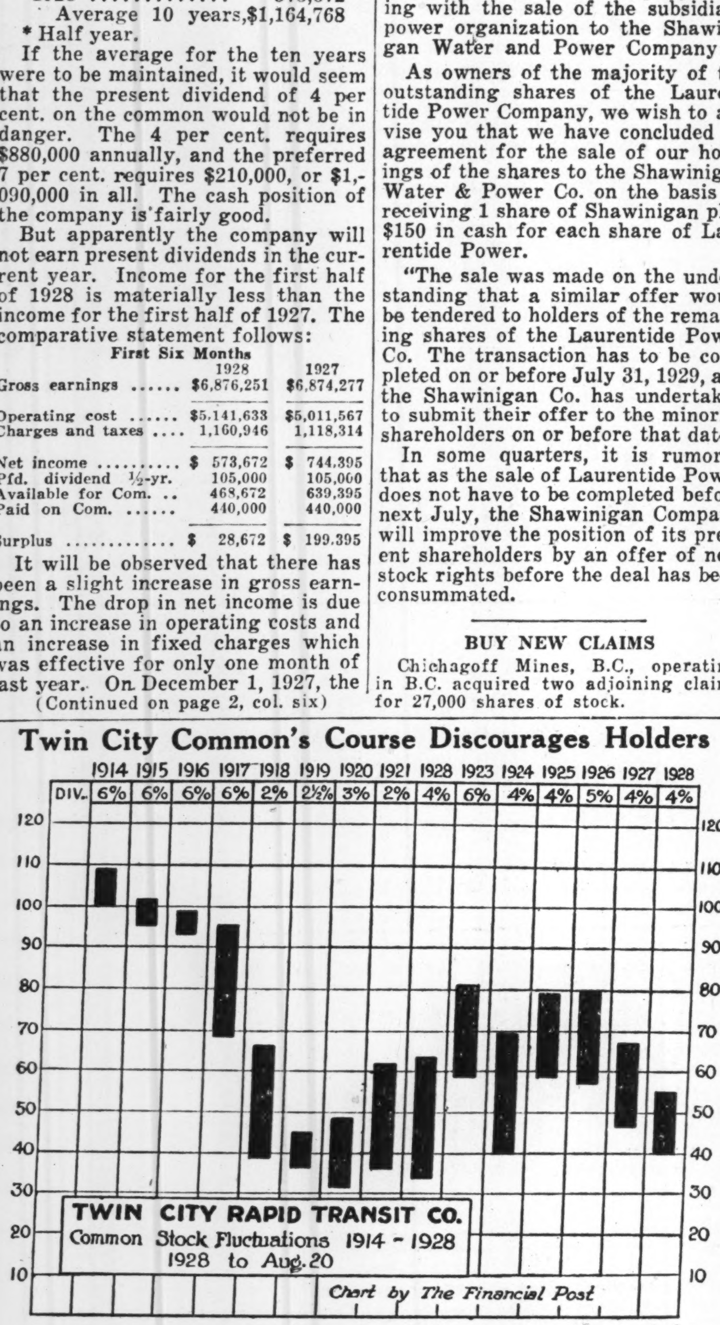
First Six Months

	1928	1927
Gross earnings	$6,876,251	$6,874,277
Operating cost	$5,141,633	$5,011,567
Charges and taxes	1,160,946	1,118,314
Net income	$ 573,672	$ 744,395
Pfd. dividend ½-yr.	105,000	105,000
Available for Com.	468,672	639,395
Paid on Com.	440,000	440,000
Surplus	$ 28,672	$ 199,395

It will be observed that there has been a slight increase in gross earnings. The drop in net income is due to an increase in operating costs and an increase in fixed charges which was effective for only one month of last year. On December 1, 1927, the

(Continued on page 2, col. six)

Twin City Common's Course Discourages Holders



Common stock of Twin City Rapid Transit has been drifting into lower levels for fifteen years with upward trends in recent years only of an apparently temporary nature

Studied Immigration

HON. G. H. FERGUSON,
Premier of Ontario, who returned from Europe this week and is said to have big immigration plans for Ontario up his sleeve.

EARLY DIVIDEND ON HAYES WHEEL NOT CONSIDERED

Final Results of Year to be Determined Before Action

Contrary to rumors on the Toronto Stock Exchange, no dividend action is likely by the directors of Hayes Wheel & Forgings until the end of the current year. Earnings are reported to be at the rate of $5 per share on the common stock, which is selling at 28½, but in view of the experience of 1927, when a splendid first half was followed by a poor second half, it is unlikely that any chickens will be counted before hatching.

Prospects for the remainder of the second half of 1928 are excellent and there is hardly a doubt that the year as a whole will be much better than 1927, when $3.07 per share was reported after preferred dividends.

Evidently rumors as to common dividends arose from the fact that a special shareholders' meeting recently was held when a change in the preferred stock provisions, relating to common dividends, was approved. The directors now may declare and pay common dividends when net current assets are $1,900,000 or greater, instead of $2,500,000, as formerly. The $2,500,000 was put into the preferred-stock provisions through a clerical error. The company at the end of the last fiscal year had net current assets in excess of $2,000,000, and the position is reported to have improved in the last eight months.

Shareholders of Shawinigan to Get Rights?

From Our Own Correspondent

MONTREAL.—The shareholders of the Laurentide Power Company have received the following circular from the Laurentide Company dealing with the sale of the subsidiary power organization to the Shawinigan Water and Power Company:

As owners of the majority of the outstanding shares of the Laurentide Power Company, we wish to advise you that we have concluded an agreement for the sale of our holdings of the shares to the Shawinigan Water & Power Co. on the basis of receiving 1 share of Shawinigan plus $150 in cash for each share of Laurentide Power.

"The sale was made on the understanding that a similar offer would be tendered to holders of the remaining shares of the Laurentide Power Co. The transaction has to be completed on or before July 31, 1929, and the Shawinigan Co. has undertaken to submit their offer to the minority shareholders on or before that date."

In some quarters, it is rumored that as the sale of Laurentide Power does not have to be completed before next July, the Shawinigan Company will improve the position of its present shareholders by an offer of new stock rights before the deal has been consummated.

BUY NEW CLAIMS

Chichagoff Mines, B.C., operating in B.C. acquired two adjoining claims for 27,000 shares of stock.

IMP'S BONUS IS SURPRISE TO HOLDERS

None Anticipated Pleasant Surprise to Gratified Shareholders

EARNINGS GROWING

Imperial Tobacco's Position Strong — Disbursement Indicates Improved Future Outlook

From Our Own Correspondent

MONTREAL.—The shareholders of the Imperial Tobacco Co. on Oct. 1 are to receive a handsome and unanticipated melon from the company in the form of one new fully paid up share for every five shares outstanding. When the directors decided to increase the authorized capitalization of the company by 3,000,000 common shares it was thought that the new stock would have been offered to the shareholders on a basis which would have provided only valuable rights; but the decision to pay up the shares from the undivided profits of the company should increase the market value of the shareholders' holdings by close to 20 per cent. without further payments on their part.

An Investment Security

Imperial Tobacco shares are regarded more or less as an investment stock; when the new stock is made available to shareholders on Oct. 1 next, little will therefore probably come on the market to depress the prevailing market quotations.

The new stock to be distributed free to the shareholders on Oct. 1 will rank with dividends from that date.

Imperial Tobacco now has outstanding 7,585,160 shares of a par value of $5 on its books. The new bonus stock to be distributed will increase the outstanding common stock capitalization by 1,517,032 shares making a total number of common shares outstanding as at Oct. 1 next of 9,102,192 shares.

$45,510,960 In Common Stock

The common shares of $5 value are carried on the books at $37,925,800. The new issue of stock will bring the common stock capitalization up to $45,510,960.

The only outstanding securities of the company ranking senior to its common are the 6 per cent. cumulative preferred shares of which there are 1,600,000 shares of $1 par value outstanding. The preferred is carried on the books at $8,030,000.

In the stock bonus, fractional shares will not be distributed. The fractions will be retained by the company and sold; the proceeds will then be divided pro rata amongst the shareholders who are entitled to fractional shares. To offset the present distribution to the shareholders, the company carries on its balance sheet a surplus of $9,700,000 which could be utilized to permit the present $7,585,160 increase in the outstanding capitalization.

Occupies Sound Position

The last balance sheet of the company showed that it occupied a remarkable strong working capital position with a ratio between current assets and current liabilities of nearly 10 to 1, with a net working capital of close to $18,000,000.

Of its total fixed capitalization of some $42,000,000, Imperial Tobacco carries a goodwill account of $28,800,000. This, of course, is the unsatisfactory feature of the company's balance sheet, but like the liquor business, the tobacco business appears to depend almost solely upon large expenditures over many years in steady advertising. Therefore, in a business of this character, it is perhaps a fair practice to capitalize a portion of the annual amount required to advertise its products properly. This is what has apparently been done by Imperial Tobacco.

Indicates Substantial Progress

From an investment viewpoint, perhaps the most satisfactory thing about the stock bonus is the fact that it indicates clearly that the company has probably made substantial progress as compared with the fiscal year which ended Sept. 30 last. The annual dividend requirements on the new stock to be issued amount to $606,812. This last figure compares with net earnings applicable to the common shares last year of $3,390,681 from which were deducted common dividends requirements of $2,680,357 leaving $1,210,324 for surplus.

Now Paying 40c Annually

Imperial Tobacco shares are on an 8 per cent. basis which at their $5 par value amounts to 40c a share a year. Last year the company earned 10.26 per cent. on its common as compared with dividend disbursements of 8 per cent. This ratio hardly indicates the magnitude of the $1,210,324 surplus earned in the 1927 fiscal year. Earnings during the current year must have been materially greater to have permitted the stock bonus.

When the new bonus stock has been issued, the company will still retain unissued in its treasury 1,697,805 common shares which would probably provide any further financing the company might require for some time to come.

Montreal Exhibition Secures Motor Shows

From Our Own Correspondent

MONTREAL.—The next Automobile Show in Montreal will be held in the stadium of the Montreal Exhibition Company. The company has signed a three-year agreement with the Automobile Trade Association covering the holding of the show for the next three years in the company's building. With the development of the Montreal Exhibition Company's activities in its several fields, the shares have of late

Average Prices of Stocks Higher

The Financial Post market indicator printed elsewhere on this page reveals that the Canadian stock markets turned upward in the week ended August 21. The average high of twenty leading industrial stocks now is 84.6, an advance from 82.2 the previous week. Ten utilities moved up from 105 to 107. The average of the bank stocks is one point down.

Losses in the week numbered 64, compared to 113 gains, while 124 stocks were unchanged in price. In the previous week there were 91 gains and 88 losses. In the week ending July 11 the gains outnumbered the losses. In the intervening weeks the losses outnumbered the gains.

NORMAL YEAR IS ANTICIPATED BY CANNERIES

Meanwhile New Stock of Biggest Sells Near Year's Low

The fruit and vegetable canning season now is far enough advanced to lead the management of Canadian Canners, Ltd., to the conclusion that 1928 will be a normal year in the industry. A normal year may be construed to mean a normal increase in earnings, which grew from $777,229 in 1926 to $813,466, after depreciation in both instances, but before bond interest. The expectation at this early stage, therefore, is that earnings for 1928 after depreciation, but before bond interest will be somewhere near $900,000.

Bond interest will require about $235,000, which on the basis of $900,000 gross would leave $665,000 available for dividends, compared with $577,133 in 1927. The six per cent. first preferred dividends will require $273,429, which would leave $371,571 available for dividends on second preferred and on common for the year. Only 6.33 per cent. was earned on the old preferred for the 1927 fiscal year.

Common Shares in Future

The second preferred stock now is in receipt of 60 cents per year, or a total payment of $218,743 for the year. The surplus available for dividend increases would be $152,828.

Future increases in dividends on the second preferred must be shared by the common stock in increasing ratio until both preferred and common have reached $1 simultaneously. The $1 rate is the limit for the second preferred, which is redeemable at $20 without extinguishing the conversion right.

The outlook for shareholders of Canadian Canners has improved materially since the revision of the capital structure which lowered the preferred stock requirements by cutting the total par value in half and by reducing the rate to 6 per cent. The company now is paying $5.40 annually on the equivalent amount of stock which formerly called for $7. The stock was 22 per cent. in arrears at the time of the revision, the full rate not having been paid since 1922.

Of course, estimates of probable earnings of this company are necessarily indefinite because the packing and growing season is not yet over and because the directors probably have not decided as to the amount which should be deducted from gross earnings for depreciation. At the time of the publication of the 1927 report there was some criticism of a policy which has been increasing the depreciation reserve at the rate of $600,000 annually on capital assets, including lands, conservatively shown at $13,850,000.

No Increase This Year

Working capital has grown from $2,861,734 at the end of 1925 to $4,273,385 at the end of 1927, excluding investments. The aim of the management is further to better the liquid position of the company.

It is stated definitely that there is no possibility of an increase in the second preferred dividend or the inauguration of a common dividend in the current year.

The company, it is reported, enters the new packing season with inventories at their normal figure, so that an extraordinarily large carryover of old goods into the new year will not take place. There was some fear that this would be the case because of the heavy pack in 1927.

The common and second preferred recently have been selling at or near their low prices for the year. It is pointed out that the average prices of food stocks over a term of several years has been low through July and August, with a normally sharp upturn in September.

Stock Market

MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of Aug. 22	$84.6	$79.8
Week of Aug. 15	82.2	79.5
Month of August, 1927	75.7	67.0
9 Bank Stocks		
Week of Aug. 22	$296	$293
Week of Aug. 15	297	294
Month of August, 1927	276	254
10 Public Utilities		
Week of Aug. 22	$107	$104
Week of Aug. 15	105	102
Month of August, 1927	101	93

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	2	3	4	9
Paper	11	1	5	17
Steel	20	6	17	43
Foodstuffs	18	19	18	55
Utilities	11	8	12	31
Tractions	4	2	7	13
Textiles	4	5	10	19
Industrials	43	20	51	114
Total	113	64	124	301

DOM. STORES SALES GROW NEAR FIFTH

But Profit Per Dollar of Turnover is Lower

COMPETITION IS KEEN

Gain Per Share May be Less in View of Larger Number of Shares Outstanding Now

On the basis of figures for the half year, Dominion Stores will sell $23,232,000 worth of foodstuffs in the year ending next December 31. This will be an increase of 20 per cent.

But, in the opinion of persons familiar with the chain-store situation in Eastern Canada, the profit per dollar of sales will be less than in 1927, when 2.7 cents was the gain.

Gross sales in the current year are considered highly satisfactory. A total of $23,232,000 will compare with $19,280,716 in 1927 and $15,256,877 in 1926. Profit margins have been reduced somewhat by competition of newer chains, especially the A. & P. which now is strong in the Montreal field and which has entered the Toronto field this year in an aggressive manner.

Eatons Not Yet Factor

There is threat of further competition from the T. Eaton Co., but the latter company, it is believed, will not be a factor for some time. It is pointed out that the question of personnel is important and that a specially trained staff cannot be organized on short notice. In communities outside Toronto where the Eaton Company recently has established groceterias, it is said that the older chains have not suffered except, perhaps, in the initial period.

If Dominion Stores profit per dollar sales is reduced from 2.7 cents to 2.5 cents, the earnings available for dividends, on the basis of sales of $23,232,000, will be about $530,701, compared to $497,438 for 1927. This will reduce the earnings per share to about $5.84 on 90,750 shares, compared with $6.02 per share on 82,500 shares for 1927.

However, the estimate of $23,232,000 of sales is double the actual sales for the first six months of the current year and, normally the gross in the last half is somewhat in excess of the gross for the first half. If this proves true in 1928, the gross for the year at a sales profit of 2½ per cent. may bring the profit per share to a figure higher than that for last year.

Sells Below Average

Dominion Stores, listed both in Toronto and on the New York Curb, has sold between 104½ and 137 this year and is currently selling at 125 after being down to 115 in the recent market reactions. The present range is slightly below the average price of 22 times earnings which obtains for the six leading grocery chain-store stocks in the United States. The A. & P. sells at 45 times its earnings. Incidentally, the A. & P. profit per dollar of sales last year was 2½ per cent.

Dominion Stores likely will finish the year with 545 units operating, compared with 510 at the close of 1927. The directors of the company allowed it to be known that this would be a year of consolidation rather than of expansion. A total of 87 stores were opened in 1927 in anticipation of the intensified competition which has materialized.

Adds to Warehouse

Dominion Stores recently completed a two-storey-and-basement addition to its central warehouse in Toronto. This addition faces on a street to the north of the older building and is used as a receiving room. All goods now move almost in a straight line through the warehouse to the shipping platforms. Warehousing costs are said to compare favorably with warehousing costs of other chains, both in Canada and the United States, although Dominion Stores has followed the policy of keeping equipment and methods as simple as possible. The Toronto warehouse now has approximately 100,000 square feet of floor space.

75 Cents Again Paid on Hiram Walker Stock

Directors of Hiram Walker-Gooderham & Worts, Ltd., at a meeting August 23 declared the usual quarterly dividend of 50 cents and a bonus of 25 cents per share for the quarter. This is the second time that the bonus has been declared.

It was intimated officially that the bonus would be declared as a part of the regular dividend at the beginning of the next quarter.

"Business in the last quarter has been up to expectations," it was stated, "and the prospects are that this condition will continue."

Spread in Fish Shares Makes Easy Picking

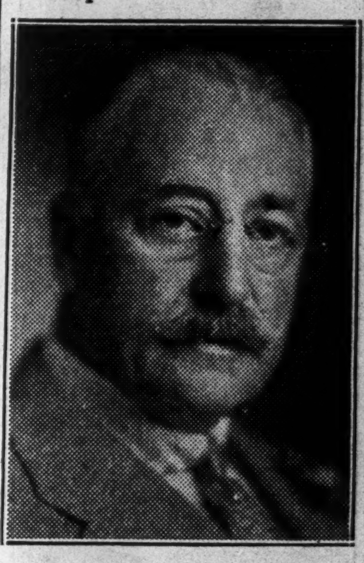
Spread of from five to six points in the market prices of the common of British Columbia Fishing & Packing and the shares of the new company, British Columbia Packers, has made an opportunity for holders of the old shares to make a quick profit by selling Fish and buying Packers.

The reason for the spread is reported to be that Montreal brokers have been buying B. C. Packers when orders were for B. C. Fishing and that customers, now demanding delivery of Fishing shares, are being satisfied only when the brokers buy the Fishing shares.

B. C. Packers is a holding company formed early this year to control B. C. Fishing and Gosse Packing after both of these companies had had a poor year owing to non-economic competition in the purchase of fish for the canneries at a time when the government was restricting operations to conserve the salmon runs. Shares of B. C. Fishing were to be converted into B. C. Packers shares on a share-for-share basis.

It is said that the majority of the outstanding 99,608 common shares of B. C. Fishing have been turned in and that the floating supply at the moment is small. Possibility of the necessity for a settlement is being discussed.

Sprucolite's Head



W. B. REID,
who was recently elected president of Canadian Sprucolite. Mr. Reid was the founder and former president of United Cigar Stores.

ALBERTA GRAIN 1928 EARNINGS MUCH LARGER

Vancouver Business Beneficial to Company—Stock Sells at 60

From Our Own Correspondent

MONTREAL. — It is understood that the Alberta Pacific Grain Company for the fiscal year which ended June 30 last will show between $6 and $7 a share on its common stock. The company occupies a good liquid position and with the existing outlook for the harvest, the outlook for the company appears to be of the best. The shares have been stronger of late. By the end of the year the stock may go on a regular dividend basis.

By Staff Editor

CALGARY.—While no report is available on the operations of the Alberta Pacific Grain Company for the crop year ended last month, it is understood that earnings of the company were considerably in excess of those reported for the preceding year.

The amount of grain handled by the company in its elevators through the Prairies was larger than in the preceding year. The revenue from this sourcce was well up to that reported in 1926-27.

The greatest change in the company's fiscal position, however, took place in the movement of grain through Vancouver. For the past year Vancouver port established a new record, some 80,000,000 bushels being handled though the terminal elevators.

Handles More Than Half

As is well known, the quality of grain produced on the Prairies last year was below normal. Only about 1 per cent. of the total crop graded No. 1 Northern. The average was somewhat below No. 3 Accordingly the grain going to Vancouver needed considerable handling in the way of drying, etc.

Of the 80,000,000 bushels handled through Vancouver last year, it is estimated that the terminal elevator of the Alberta Pacific Grain handled in the neighborhood of 50,000,000 bushels. At a rate of 3 cents a bushel for drying, the income derived from this source over and above the legal charge for handling the grain in storage, was roughly $1,500,000.

This sum represents virtually a clear gain over that the preceding year. In that period considerably less grain was handled, while it reached Vancouver in better shape.

At the moment the stock is more active than in recent months, selling at 60 this week.

Earnings last year were $3.53 per share. Predictions for 1928 have been that earnings would be more than double.

Saskatchewan Wheat Cutting Now General

From Our Own Correspondent

REGINA.—Wheat cutting started in most districts last week and is expected to be general this week according to telegraphic reports received by the statistics branch of the department of agriculture. Wheat is generally reported in good condition with very few reports of any disease. Coarse grains vary from fair to good. Hail has caused further loss in a few localities and there are some complaints of weeds. Saw-fly is reported in some fields, but no material damage is yet apparent. On the whole, the weather since last week's wire has been favorable for ripening the crops.

SAY GOODYEAR 1928 PROFITS TO BE $13.75

First Ten Months Show Gain of 15 Per Cent. Over Previous Period

Net Earnings for Twelve Months Ending Sept. 30 Will be More Than $3,300,000

Goodyear Tire & Rubber Co. of Canada will have earned between $13.75 and $14 per share in the fiscal year ending September 30th, judging by the results for the first ten months.

In the period ended July 31, net earnings before depreciation and preferred dividends were reported to be $364,000 ahead of last year, an increase of approximately 15 per cent. On this basis, it may be computed with fair accuracy as to what will be the income and surplus account for the full year. Following is the estimate, compared with the actual figures for the previous year:

	1928 (Computed)	1927 (Actual)
Net earnings	$3,307,410	$2,870,710
Less: Depreciation	805,000	699,299
Net profits	2,502,410	2,171,891
Less: Preferred div.	556,486	617,987
	1,945,924	1,220,155
Less: Pfd. stock redemption	77,836	....
Bal. available for com.	1,838,088	1,220,155
Earnings per share (133,299 shs. n.p.v.)	13.78	12.11
Paid on com. per sh.	5.00	1.25

In showing the earnings of the common for 1927, the arrears of dividends on the old preferred stock amounting to 1¾ per cent. has been ignored for the sake of clarity. The company a year ago revised its capital structure, doing away with the prior preference at the end of the half-year; at that date there were no arrears on the other preferred. Likewise, there was a change in the common outstanding. The old common of $10 par value was converted into no-par value and subsequently holders were given the privilege of subscribing at $1 per share for 1⅓ shares of new stock for each share previously held. The result is that the company has 133,299 shares of common stock outstanding.

No Loss on Raw Rubber

Virtually alone among rubber companies, Goodyear of Canada was not caught with large stocks of raw rubber when the announcement of the abolition of the Stevenson restriction act brought a slump in raw rubber prices. Goodyear of Canada had no big inventory to write down. The factories at New Toronto and Bowmanville and the cotton factory at Ste. Hyacinthe have been operating at greater than rated capacity and, as was exclusively announced in The Financial Post on August 17, a large addition is being made to the tire factory at New Toronto.

In company with the rubber stocks on the New York exchange, and accelerated perhaps, by market conditions in Canada which are attributed to tight money, Goodyear of Canada common has sold down from its year's high of 157 to a low of 128½, despite growing earnings. The prevailing prices compare favorably however, with the 1927 high of 140 and 1927 low of 85½ for the present stock.

The week-by-week range of the stock for the current year follows:

	High	Low
1927	140	85½
Jan. 3 '28	139	136
10	151	139
17	160	149
24	157	152
31	168	154⅛
Feb. 7	165	152
14	168	150
21	164¾	149
28	154	149
Mar. 6	155	151
13	150	138
20	141	138¾
27	140	135
Apr. 2	144	136
10	145	138
17	139	135
24	139	135
May 1	140	137
8	138	136½
15	137	134½
22	136½	136
29	135⅝	133
June 5	134	128½
12	130	129
19	136	129
26	145	135
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FRATERNALS WILL SEEK LEGISLATION FOR NON-MEDICAL

Would Also Establish Necessary Reserves for This Purpose

Fraternal companies will seek legislation permitting them to write non-medical insurance. Money reserves necessary for this type of business must be established, however, and this provision will be included in the legislation. This decision, which is in the nature of a compromise, was arrived at after a lengthy discussion of the subject at the National Fraternal Congress in Toronto this week. Owing to disagreement among the members of the special committee investigating this matter, two reports were presented. The majority report, presented by George W. Miller, chairman of the committee and general counsel for the Royal League made no recommendations, while the minority report, presented by John E. Owens of the Maccabees, favored the adoption of the non-medical principle. These reports supplied the members of the Congress with a fund of information upon the subject and a long discussion followed. Finally a compromise was reached whereby the congress favor the seeking of legislation permitting them to write non-medical insurance provided that the legislation demands the formation of money reserves to stand behind this type of business.

Whether or not fraternal societies should issue insurance on the lives of individuals without medical examination was not settled once and for all by the report of the special committee on non-medical selection. The question of non-medical insurance has been a topic of argument for some time and at the last session of the Nationad Fraternal Congress of America a committee of seven was selected to go into the matter thoroughly and report to the next session. An exhaustive study was made by the committee but they were unable to agree and as a result two reports were prepared to be presented. The majority report signed by four members of the committee was presented by George W. Miller. The report showed that a vast amount of investigation had been done and in the sixty pages that it comprised many opinions and previous investigations were laid before the members of the congress. It did not, however, draw any definite conclusions, or make any recommendations as to whether the fraternal societies should go into the field of non-medical insurance. The committee preferred to present the facts as they found them, giving both the arguments in favor of non-medical insurance, and those against it, and leave the question to the congress to be discussed and decided upon one way or the other.

Detailed Report Given

The whole question was presented in detail, from the point of view of the policy holder, the agent and the company. Arguments for and against the question from the standpoint of each of these parties received close attention by the committee in their investigations. Moreover, their study was not confined to the United States alone but also to Canada. The restrictions that companies placed upon non-medical insurance were gone into completely and the facts on this phase incorporated in the report. Other points dealt with were: who may write this type of business, the elements which determine insurability, the experience of companies with regard to mortality in this type of business, the workings and application of disability claims, the compulsory nature of non-medical insurance, the reserved right to require medical examination, the effects of non-medical on the size of the policy, its workings in the rural as compared with the urban districts, lapse rates, etc.

As a result of their investigation the committee came to the conclusion that they could not arrive at a definite decision as there was so much to be said for each side of the question. Mr. Miller admitted that they brought no original information to the congress but the aim of the report was to present the salient points of the subject in a greatly condensed though still lengthy form. Further condensation, he felt, would not be advisable as it would not give the congress sufficient information upon which to make a final decision. Although no recommendations are made the report concludes with the following comments:

"Some features of this matter stand out so clearly that all must recognize them. Non-medical business, although considered as having had a favorable experience so far as it has gone, is still in the experimental stage, and no man can speak with certainty as to its future.

"That this is recognized by every company that has thus far written non-medical business is demonstrated by the restrictions thrown around the business and the regulations which apply to it.

"The maximum and minimum age limitations.

"The maximum amounts for which policies will be issued.

"The care exercised in the selection of agents who will be permitted to write this business.

"The check up on the work of these agents through the inspection made by an independent agency.

"The check up on the agent and on the agency employed to check up on the agent.

"The reserved right to insist upon a medical examination in any and every case.

"The avoidance of industrial centres.

"The refusal of most companies to issue term policies.

"The restrictions as to substandard policies.

"All of these factors demonstrate the caution with which companies are working into this non-medical business. They indicate clearly that while a large amount of this business has been written, it is still recognized as an experiment and the companies are unwilling to engage in it except as it is surrounded with and safeguarded by these restrictions and regulations.

"And now the ultimate question comes to this: Has the time come when the fraternal benefit societies are ready, and if ready can safely engage in this experiment, or, should the fraternal beneficiary system continue to write medically examined business only until the time comes when it will be generally recognized that non-medical selection has emerged from the experimental stage and that the companies engaged in it have written such a volume of business, conducted the business over such a period of years, and have so tabulated their experience, that survey of the material for study then available has and will demonstrate that all institutions engaged in writing life insurance may safely write it on the non-medical plan."

Thornton Golfs

SIR HENRY THORNTON, Chairman of the Canadian National Railways, playing golf at Chester, N.S., on his recent Maritime province tour.

HOLDING UNIT'S SHARES OFFERED BY O. J. BROOKS

Electric Water Heater Replaces Steam Auto in Sales Talks

The Better Business Bureau has published a report concerning O. J. Brooks of steam-motors fame. Brooks and his Brooks Securities Co. now have offices in Montreal and are offering shares in the People's Holding Co., a Brooks enterprise the principal assets of which appear to be shares in, and a contract to buy more shares in, a company manufacturing a hot-water heater. The company is not by any means a success as yet.

Persons who remember with sorrow their experiences with Brooks Steam Motors probably are not likely prospects for another enterprise sponsored by O. J. Brooks and his associates. The report of the Better Business Bureau follows:

O. J. Brooks, an American promoter, is actively connected with the promotion of the above companies. Brooks' record as president of the Brooks Steam Motors Ltd. is well known. However, it might be well, at the outset, to recall that around 1,400 Canadian men and women subscribed upwards of $2,000,000 to the Brooks Steam Motors Ltd. and the position of that company today is such that, according to G. T. Clarkson, who was appointed by the court to take charge of the affairs of the company, if the company was liquidated, the proceeds would not realize for shareholders a dividend of more than 5 per cent.

The fiscal agents for the Brooks Steam Motors Ltd. were the Brooks Securities Ltd. of which O. J. Brooks was also president. The Brooks Securities Ltd. for two or three years sold stock in the Brooks Steam Motors in units of preferred and common stock at $135, of which $75 was turned over to the treasury of the Brooks Steam Motors.

The office of Brooks Securities Ltd. is now located in the Confederation Bldg., and the organization is pretty much the same as it was during the Brooks Steam Motors stock selling campaign.

Mr. Brooks, when interviewed by a representative of the Better Business Bureau, stated that the sales force of the Brooks Securities Ltd. is going to take over the sale, from coast to coast, of the Thermodaire hot water tanks. These tanks are being manufactured by Thermodaire Ltd., a recently organized company, having a capitalization of 50,000 shares of common stock of no par value. Mr. Brooks of course is a director of Thermodaire Ltd.

The Thermodaire hot water tank is an electrically heated tank, a special feature of which is that the water will retain its heat for a considerable time. This tank might possess some interesting features—no doubt it has some attractive talking points but most certainly it will have to hold its own in a very strong competitive field.

Thermodaire Ltd. was in a very weak financial position before Mr. Brooks came along a few weeks ago and put $24,000 into it. Most of that money, we are informed, went to the inventor of the tank; the balance was used to liquidate the company's debts. The Bureau was not able to obtain a balance sheet of the company's affairs as at the present time. O. J. Brooks, through another of his companies, called the People's Holding Co. has purchased controlling interest of Thermodaire Ltd. The contract for the purchase of that controlling interest calls for the People's Holding Co., Ltd., to take up 25,000 shares of Thermodaire stock before next spring at a price of $8 a share.

The first 3000 shares were taken up and the $24,000 previously referred to was paid over.

The People's Holding Co. also hold 25,000 shares of Brooks Steam Motors Inc. of America. People's Holding Co. is capitalized at $5,000,000 of 7 per cent. cumulative preferred shares and 100,000 shares of common stock without par value. It is these shares that are being offered to the public and about which inquiries of the Bureau are being made.

DIVIDEND DATE FOR COCKSHUTT IS NOT DECIDED

Declaration Promised But Announcement Yet to be Made

Information comes from official sources that the directors of Cockshutt Plow Co. have not yet decided when to inaugurate the $1.50 dividend which has been promised on the stock of the company. It was stated at the time of the capital reconstruction that the new stock could be placed on a $1.50 basis early. This would be the equivalent of 6 per cent. on the old 7 per cent. preferred which has been eliminated.

A. D. Watts & Co., members of the Montreal Stock Exchange, this week have issued a circular recommending the purchase of Cockshutt Plow at its current price on the ground that the future of the company is bright and that the earnings, which have been improving for the last several years, are likely to continue to grow.

The circular continues, in part:

The steady increase in earnings for the last three years is a result of four excellent crops in Western Canada in 1924, 1925, 1926 and 1927. The company is operating at the present time to the maximum capacity and during 1928 to date has done more business than ever before in its history, including a larger percentage of cash business than ever before. The prospects in Western Canada have never been so favorable in the history of the country and it is expected that the wheat crop alone will run over 550,000,000 bushels, which, with the coarse grains, will be valued at over a billion dollars. As harvesting has already started in the West, risk of damage from hail, rust and frost will become less daily, and with a good crop this year the farmers in the West are assured of prosperity for the next two years, which will result in a steadily increasing demand for agricultural implements. The Cockshutt Plow Company, in addition is slowly but steadily developing its export business and we understand that very satisfactory results are being obtained in this department.

Products High Grade

The company is an old established business with an exceptional record for turning out high class agricultural equipment. The plant is equipped with the latest machinery, excellent management and ample working capital, and as there are no bonds or preferred stock outstanding, the common offers, in our opinion, a sound investment with a good yield and exceptional prospects for capital appreciation over a period of time as the company will undoubtedly grow with Canada's increasing prosperity.

The company was established about 1880 by the Cockshutt family and it is known that over 60 per cent. of the stock remains in their hands at present. The company has always been very prosperous but during the war the company sold very large quantities of agricultural implements to Russia and as a result of the revolution there, they were not paid for. The company defaulted on its preference dividends for some years and finally was reorganized on the 30th of April, 1928, when the preferred shares were exchanged for four new shares of common stock of no par value, plus a cash payment of $10 for each of the preferred shares. The common shareholders received three new shares for each five old held.

INCOME AND SURPLUS ACCOUNT
Years ended December 31,

	1927	1926	1925	1924	1923	1922
Net earnings	$448,690	$305,450	$313,506	$ 64,347	$ 98,636	$ 5,656
Other profit	48,074	......	......	......	......	4,375
	496,764	305,450	313,506	64,347	98,636	10,031
Less: A/Cs written off	......	......	297,717	61,671	97,651	......
Prov. taxes and unadj. claims	43,364	......	......	......	......	......
Net profits	453,410	305,450	15,789	2,676	985	10,031
Less Appropriations:						
Pfd. dividends	......	258,600	......	64,650	387,900	258,600
Inventory Adjustment	......	......	......	......	......	......
	453,410	258,600	......	64,650	387,900	258,600
Surplus for year	453,410	258,600	15,789	x61,974	x386,915	x248,560
Add previous surplus	116,942	70,092	54,303	116,277	3,192	251,761
Trans. from contingent	......	......	......	......	500,000	......
Bal. carried forward	$570,352	$116,942	$ 70,092	$ 54,303	$116,277	$ 3,192

x—Deficit. After depreciation and bad debts.

DIVIDENDS AND EARNINGS RECORD

	1927	1926	1925	1924	1923	1922
Preferred, earned	7.01%	4.73%	4.84%	....	1.52%	....
Preferred, paid	4	....	....	1.0%	6.00%	4.0%
Common, earned	....	....	....	....	....	....
Common, paid	....	....	....	....	....	....

NATION'S BUSINESS

(Continued from page 1, column 1)

tion of Canada's immigration problem lies with the provinces. Certainly the provincial cabinets are showing no disposition to be as idle as Ottawa.

* * *

LAST week The Financial Post presented figures to show that the migration of Canadians to the United States in the twelve months to June 30 was less than in the previous twelve months period, but was still disappointingly large. At that time we were in the position of having still further figures of an even more startling nature, but hesitating to believe them accurate we delayed publishing them. But a subsequent check reveals them to be quite reliable. These figures show that in the year to June 30, Canada actually lost more citizens to the United States than it did in the previous year.

Here is the way the figures work out: For the year to June 30, 1927, Canadians to the number of 81,506 emigrated to the United States. We got from the United States 2,441 immigrants and 50,464 returned Canadians, a net loss to this country of 8,601. In the year to June 30, 1928, we lost to the United States 73,154 citizens. Our gain was 36,051 returning Canadians and 26,687 citizens, new immigrants. This made our total net loss 10,416. Thus, our net loss to the United States in 1928 was 1,815 above our net loss in 1927.

It is possible and it is sincerely to be hoped that the trend is now in another and more favorable direction and the monthly figures will be closely studied to see if they reveal this change.

SADDLERY SALES UP 16 PER CENT.

Western Company's Fiscal Year Better Than Was Expected

Sales of Great West Saddlery Co. in the fiscal year ended June 30, 1928, were $3,718,814, which is an increase of 16.5 per cent. over the previous year. The figures for the last four years were as follows:

1925	$2,507,600
1926	$3,099,546
1927	$3,190,061
1928	$3,718,814

The annual report of the company will not be available for some weeks yet, it is said.

Great West Saddlery Co. became of public investment interest early this year when $850,000 of first mortgage bonds and $900,000 of convertible first preferred stock were distributed through a Toronto investment banking house. There also is an issue of $200,000 of 6½ per cent. convertible second preferred. First preferred and common stocks are listed in Toronto. The common currently is selling around 21 and the first preferred is changing hands at 94. The original offer was at $100 with the right to purchase two common at 18½.

Biggest Crop Yet

MONTREAL.—The biggest crop in the history of Canada, and a harvest of between 500,000,000 and 600,000,000 bushels is predicted by Col. R. H. Webb, ex-mayor of Winnipeg, and formerly manager of the Windsor Hotel here, who is in Montreal on a visit, following a tour of the Western Provinces. Weather conditions have been ideal, he said, and if the West escapes unusually early frosts all previous harvest records will be broken.

Nation's Commerce

Activities of Canadian Chambers of Commerce from Coast to Coast

From Our Own Correspondent

MONTREAL.—The recent developments in aviation have been such that flying is steadily making tremendous strides in the whole transportation picture. Hence it is natural that many Boards of Trade are interesting themselves at the present in extending the flying facilities of their communities. It will not be long before any sizeable community, which is not equipped with an airport will be considered to be behind the times. Hence the boards in Vancouver, Regina, Toronto, Timmins, Brockville, Quebec, Halifax and Truro are all taking an interest in flying. Some like Vancouver, are asking the government to establish an air mail service, whilst the majority are endeavoring to establish suitable airports.

* * *

Following the success of the Better Business Bureau in Montreal which has saved literally hundreds of thousands of dollars for investors by uncloaking the fraudulent activities of stock jobbers, the Toronto board is interesting itself in the formation of a Better Business Bureau there.

* * *

On the coast, the Vancouver and Victoria boards are pushing the products of British Columbia by a B. C. Products week in Vancouver when the stores will make special window displays, and in Victoria, by a Home Industries Exhibit, being sponsored by the Young Men's branch of the board there.

* * *

Western boards are obtaining some sound publicity for the Peace River District. The Stewart, B. C., board has recently issued an informative booklet on the territory and the Edmonton board has organized an excursion there for business men.

* * *

The Calgary Board, too, is doing its best to open up the hinterlands of the West in organizing a trip to the north-eastern sections of the province of Alberta. Calgary is also co-operating with Vancouver in an effort to have mining operations permitted under proper supervision in national parks.

* * *

During the summer months, many boards have helped to bring an increased flow of tourists to their territories. Taking the lead in these activities is perhaps the Moose Jaw board which has been most successful in this direction. A Tourist Information Bureau supplies car owners with over 70 different road maps covering Western Canada. Radio broadcasting is being used as a means of securing tourists and five large conventions in 1929 have already been secured for the city.

* * *

Boards in some of the smaller western communities have been carrying on a variety of good work. For instance, Pincher Creek board has sponsored tree planting, better highways and a community swimming pool.

* * *

The Kingston Board has changed its name to the Chamber of Commerce after 77 years of activity.

* * *

La Chambre de Commerce of Montreal is endeavoring to have used motor cars appraised by the customs at a price which will assure that the Dominion does not become the dumping ground for used cars.

* * *

At the instance of the extremely active board in Saint John, a number of other boards in New Brunswick are taking up the idea of securing a national park for the province.

* * *

The Canadian Chamber of Commerce is publishing in book form the proceedings of the last two annual meetings held in Quebec and in Vancouver. This month's issue of the chamber's bulletin will contain an article on New Zealand which will be of interest to business men trading with the Antipodes.

* * *

W. McL. Clarke, secretary of the Canadian Chamber of Commerce, is in Halifax discussing the Chamber's work with D. R. Turnbull, vice-president, and Lt.-Col. Alexander Montgomerie, councillor. Mr. Clarke says he is finding conditions good with a healthy economic atmosphere prevailing.

CHARLOTTETOWN (Special) — The annual meeting of the Associated Boards of Trade of Prince Edward Island, was held at Charlottetown during the past week with one hundred delegates present representing eight local boards of trade.

William M. Birks, president of the Canadian Chamber of Commerce was present and spoke. He said, "When the farmer fails, Canada fails. Great questions of business in Canada are national. The chamber speaks the business voice on national economic subjects through its 170 affiliated boards. Counting noses and dollars does not make Canada nor the Empire great. The chamber is making telling progress."

Secretary W. McL. Clarke referred to the value of actively functioning provincial associations built upon the solid rock of live local boards of trade and their individual members. Service determines largely the usefulness of the local board he said.

Premier Saunders and President McDonald of the Island Association spoke of the remarkable agricultural progress of the Island in potatoes, foxes, eggs and dairy products. The outlook never looked better. Among the resolutions adopted was one urging the Canadian National Railways to build a summer hotel. A second urged the provincial government to form a department of colonization, while a third called upon the federal government to replace immediately the burned potato warehouse at Charlottetown.

DIVIDEND CUT NOT LIKELY IN TWIN CITY

(Continued from page 1)

company sold $18,000,000 of first lien and refunding 5½ per cent. bonds the net result of which was to increase the funded debt from $19,478,000 to $22,473,000. A total of $15,000,000 of maturing bonds is to be refunded and the balance of slightly under $3,000,000 went for motor buses and other capital purposes.

First Half Normally Better

If net income for the last half of the year were equal to net income for the first half, the total would be $1,145,000, or not very far under the ten-year average of $1,164,768. But in 1927, the company earned 59 per cent. of its net income in the first half of the year and only 41 per cent. in the second half. Repetition of this experience will mean net earnings for the year of something under $1,000,000, or perhaps $100,000 under dividend requirements at the present rate.

Directors of the company continue to express considerable faith in the enterprise. They believe that the political path will be smoothed, that the public will acquiesce in adequate rates, that bus and taxicab revenues will be a growing assistance to the parent company. More than all, perhaps, they have faith that the future of the street car is brighter than its immediate past and that the competition of the private automobile will be less and less a factor as the cities grow and traffic becomes more dense and restrictions on the parking of motor vehicles necessarily become more stringent. Moreover, it is pointed out that the Northwestern States are increasingly prosperous and that this prosperity will contribute greatly to the growth of Minneapolis and St. Paul.

Old Holders Are Weary

Yet individuals who have held the stock for many years are becoming discouraged. Twin City common at one time was one of the most active stocks on the Toronto exchange and the maintenance of the 6 per cent. dividend from 1909 to 1917 fixed the stock in the minds of many holders as a conservative and stable investment. The war and its consequences on utilities were accepted as unavoidable evils which were only temporarily discouraging. But now, ten years after the war, there is a growing impatience with a situation which does not seem to improve. Discouragement is reflected in the market price of the stock. As will be seen in the accompanying chart, the 1928 low has been only eight points higher than the post-war low of 32⅜ when the dividend was 3 per cent. and a 2 per cent. rate was in the offing. It is a far cry from 1914, when the stock was buoyant at and above par.

The following schedule shows the funded debt and stock liability of Twin City and its subsidiaries:

Statement of Funded Debt

Twin City:	
(1) 1st lien & refund. due 1952	$18,000,000
Minneapolis St. Railway:	
(2) 1st mtg. coll. 5½ notes due Aug. 15, 1928	x5,000,000
St. Paul City Railway:	
(3) 1st mtg. 6% due 1932	224,000
(4) 1st cons. mtg. 6% due 1934	456,000
(5) Cable cons. mtg. 5% due 1937	3,708,000
Minn. St. Ry. & St. Paul City Ry.:	
(6) Cons. mtg. 5% due Oct. 1, 1928	x10,000,000
Twin City Motor Bus Co.:	
(7) 1st real estate mtg. notes due serially to 1936	85,000
	$22,473,000

x—Nos. 2 and 6 to be redeemed at maturity from proceeds of No. 1.

Capital Stocks

Pref. 7% cumulative ($100 par)	$ 3,000,000
Common ($100 par)	$22,000,000
Total net mortgage and stock liability to public	$47,473,000

Twin City common would earn 9 per cent. if earnings of 7½ per cent., on the valuation of $47,983,318 (plus $5,000,000 new investment were available.

CREDIT INFORMATION

The Bank of Montreal maintains departments of Domestic and Foreign Credit, and through its old-established and world-wide connections has complete facilities for acquiring information promptly and accurately. If requested by customers, the Bank will place credit data in regard to them on file with its managers in Canada or abroad. In this manner the information is made quickly available to firms dealing with the Bank's clients.

BANK OF MONTREAL
Established 1817
Total Assets in excess of $860,000,000

The Store for Men

LOOK MEN!
STAY-DOWN SPORT SHIRTS

HERE is a shirt that will stay down. It buttons to the underwear, preventing any "creeping up" no matter what strenuous sport you may engage in. Finely tailored from a splendid white broadcloth in collar attached style. Sizes 14 to 17. Simpson's price, $2.50.

Street Floor.

The Robert Simpson Company Limited

Foreign Exchange

Our own offices in London, England, and New York—and private wires between Toronto, Montreal and New York—keep us in close daily touch with the world's money markets. We offer prompt service and the best possible rates on Foreign Exchange.

Telegraphic and Cable transfers are given special attention.

THE DOMINION BANK
Established 1871

36 Branches in Toronto for your convenience.

EXECUTIVE AVAILABLE

Here is a well-known executive with varied, thorough and practical experience as office man, salesman, sales manager, branch manager, and finally general sales manager for large Canadian manufacturer, in charge of wholesale, retail and export sales aggregating four millions.

He is a Canadian, age 34, in excellent health, married, has unimpeachable references and business record. He possesses an intimate knowledge of almost all Canada, is capable of creative thought and constructive ideas, and has the sales instinct, vision and energy to build up a business.

For sound reasons he seeks a change. He wants this new connection to be his last, and will consider any enterprise that is likely to be of economic importance during the next 20 years. Box 114, The Financial Post, Toronto.

Return of the Chartered Banks of the Dominion of Canada, June 30th, 1928

Liabilities

NAME OF BANK	Notes in Circulation	Due to Dominion Government	Advances under Finance Act	Due to Provincial Governments	Demand Deposits in Canada	Savings Deposits in Canada	Deposits elsewhere	Bal. due to other banks in Canada	Due to Banks in U.K.	Due to Banks elsewhere	Bills Payable	Letters of Credit	Other Liabilities	Dividends Declared & unpaid	Reserve Fund	Capital paid up	Total Liabilities	Capital authorized	Capital subscribed	% last dividend	Loans to Directors	Average gold and Coin Held	Average Dominion Notes held	Greatest amount notes in Cir.
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	%	$	$	$	$
Montreal	46,271,886	15,485,039	15,000,000	8,097,757	181,014,759	415,819,614	102,233,325	2,109,985	1,541,641	6,854,063	150,257	14,841,228	1,413,593	23,092	30,916,700	29,916,700	871,689,650	31,175,000	29,916,700	12	5,051,929	28,638,611	59,400,367	46,813,281
Bank of Nova Scotia	15,388,505	1,836,243	....	308,389	37,286,884	127,547,704	33,636,355	4,560,794	204,430	2,017,941	250,053	7,254,570	110,225	402,032	20,000,000	10,000,000	260,804,140	15,000,000	10,000,000	16	1,141,084	9,163,542	6,877,155	15,388,505
Toronto	8,400,788	622,894	3,000,000	367,951	33,934,439	63,903,983	....	3,605,712	537,999	2,199,950	659,305	2,725,351	243,252	3,520	7,000,000	5,000,000	132,206,153	10,000,000	5,000,000	12	3,563,187	346,000	7,445,200	8,400,788
Provinciale	4,028,838	246,227	1,750,000	162,971	5,903,164	34,691,116	....	1,453	....	45,642	....	24,030	23,796	7,301	1,500,000	4,000,000	52,389,552	5,000,000	4,000,000	9	....	205,764	416,486	4,115,083
Commerce	28,563,132	3,979,128	9,000,000	4,269,495	148,479,976	245,503,119	46,687,700	564,305	3,833,735	22,333,980	5,520,178	24,070,548	....	17,795	20,000,000	20,000,000	583,878,097	25,000,000	20,000,000	12	7,110,902	16,871,000	21,146,000	28,563,132
Royal	41,649,173	4,762,804	15,000,000	7,081,353	177,089,925	309,593,724	184,982,915	1,129,437	2,027,820	25,124,150	5,340,317	46,247,322	50,000	43,049	30,000,000	30,000,000	879,122,010	40,000,000	30,000,000	12	2,362,989	11,280,955	6,723,640	41,649,173
Dominion	8,298,389	952,004	4,000,000	371,794	32,432,938	69,804,210	7,032,172	1,212,134	173,652	2,003,585	295,025	5,246,626	410,025	182,754	8,000,000	6,000,000	146,505,327	10,000,000	6,000,000	12	2,107,696	2,184,000	4,815,000	8,298,389
Standard	7,092,175	606,034	4,500,000	318,509	23,036,979	54,307,200	....	379,633	836,414	1,452,295	....	476,840	7,441	1,682	2,900,000	4,823,400	100,738,609	5,000,000	4,823,400	12	105,435	392,999	2,703,715	7,092,175
Nationale	12,650,174	1,047,079	5,000,000	3,874,449	22,501,369	91,731,591	1,662,532	1,738	127,284	742,133	....	949,059	....	6,485	5,500,000	5,500,000	151,293,897	10,000,000	5,500,000	10	200,050	875,662	1,655,373	12,650,174
Imperial	10,567,335	1,572,317	....	2,623,849	34,022,038	71,984,658	....	2,507,484	73,019	955,001	....	984,678	....	810	7,500,000	7,000,000	139,801,273	10,000,000	7,000,000	12	76,462	919,566	4,081,625	10,567,335
Weyburn Security	469,092	104,686	....	11,365	1,614,872	2,967,098	....	....	....	30,500	....	6,000	....	72	250,000	524,560	5,978,247	1,000,000	655,700	7	14,393	24,266	38,471	502,507
Total	183,379,487	31,214,455	57,250,000	27,487,883	697,322,343	1,487,854,017	376,234,999	16,073,691	9,361,013	63,900,331	12,215,135	102,826,252	2,258,333	688,593	133,566,700	122,764,660	3,324,406,960	162,175,000	122,895,800	.....	21,734,127	70,902,365	115,303,032	184,040,542

Assets

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from banks in Canada	Due from banks in U.K.	Due from banks elsewhere	Government securities	Canadian municipal British and foreign Securities	Railway and other bonds and stocks	Call loans in Canada	Call loans elsewhere	Other current loans in Canada	Other current loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank Premises	Letters of Credit	Deposit for note circulation	In central gold reserves **	Shares of and loans to controlled companies	Other assets	Total assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	32,444,202	56,175,136	4,346,142	825,701	41,480,377	49,145	1,284,083	18,831,018	75,830,293	43,571,477	5,735,694	37,897,843	105,446,285	289,824,341	58,624,342	18,003,062	28,738,875	2,116,672	675,904	1,139,521	11,550,000	14,841,228	1,507,093	20,000,000	3,515,444	462,887	874,921,710
Nova Scotia	9,135,216	6,204,222	1,269,242	1,636,333	12,103,766	1,452	122,272	3,067,749	27,409,891	12,398,038	10,054,797	38,424,310	8,725,195	85,172,019	17,719,004	625,642	6,450,205	128,381	23,830	216,940	6,882,646	7,254,570	499,755	6,500,000	....	73,587	262,109,076
Toronto	339,823	5,734,749	682,590	103,983	10,840,916	....	495,810	2,210,529	10,779,784	3,529,341	8,300,591	11,478,335	....	65,282,742	....	....	2,466,513	24,943	....	164,337	3,275,585	2,725,351	264,478	3,880,866	....	....	133,590,279
Provinciale	204,466	293,546	562,550	65,155	1,991,166	1,845,253	5,125	232,683	6,151,493	2,135,482	3,413,665	11,937,464	....	14,712,012	....	....	1,631,961	129,032	409,557	483,859	2,086,045	24,030	206,271	200,000	....	176,237	52,897,058
Commerce	9,327,588	18,820,986	2,579,170	852,639	23,429,910	3,703	622,126	14,165,171	45,870,800	23,353,625	9,322,888	45,551,601	55,976,550	218,292,423	35,189,065	8,604,994	18,205,684	1,890,293	2,311,361	1,286,900	12,248,723	24,070,548	1,000,000	12,000,000	2,204,862	291,923	588,483,559
Royal†	11,259,304	18,176,888	4,246,826	14,209,947	34,216,873	7,577	1,660,859	25,145,688	95,379,693	23,153,827	20,794,863	51,035,804	59,652,584	265,848,347	157,281,523	1,966,790	8,090,408	2,260,479	1,733,337	1,435,758	14,718,060	46,247,322	1,338,989	12,400,000	1,980,946	448,957	883,691,671
Dominion	2,188,565	5,785,299	1,261,535	174,329	9,753,014	....	152,693	2,296,419	14,775,091	4,336,079	2,291,849	16,255,414	8,468,873	52,326,522	1,992,978	....	657,249	222,053	20,166	39,184	5,673,956	5,246,626	319,300	2,400,000	....	220,070	146,857,267
Standard	387,289	3,488,558	638,521	59,974	3,914,128	....	103,195	394,257	10,038,115	3,388,178	3,824,651	14,813,247	....	51,097,552	....	....	2,270,452	372,676	324,703	141,864	3,865,109	476,840	250,000	2,300,000	....	123,640	102,272,962
Nationale‡	912,115	1,988,556	1,544,415	211,002	5,138,394	420,434	42,299	815,538	22,732,263	11,772,261	2,366,113	15,493,771	....	64,778,716	3,592	2,519,107	5,826,351	184,536	973,481	1,075,230	5,351,459	949,059	282,113	7,200,000	....	288,656	152,779,479
Imperial	924,637	4,711,376	1,033,924	162,945	8,498,840	631,939	63,138	458,625	15,325,189	6,396,931	851,521	12,219,243	1,500,000	69,402,556	....	840,556	6,414,800	225,202	302,557	626,662	6,123,217	984,678	349,460	4,100,000	....	311,297	142,469,303
Weyburn Security	23,609	37,807	24,545	3,018	31,083	613,787	....	70,699	585,454	236,593	308,246	....	....	3,186,403	....	....	79,607	28,427	179,058	206,395	302,523	6,000	28,358	50,000	....	37,929	6,039,548
Total	67,146,814	121,417,114	18,189,470	18,305,031	151,398,467	3,573,290	4,551,601	68,688,376	324,878,088	139,211,833	67,293,803	268,017,032	239,769,502	1,184,923,633	271,810,505	32,565,151	80,832,105	7,582,694	6,953,954	6,816,650	72,077,323	102,826,252	6,015,817	71,030,866	7,701,252	2,435,183	3,346,111,91

**Of this deposit $20,630,866 is in gold coin; the balance is in Dominion notes.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return

†The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris. As the entire capital stock of the Royal Bank of Canada (France) is owned by the Royal Bank of Canada, the assets and liabilities of the former are included in the above return. —Footnote to Royal Bank return.

The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale are included in above return.—Footnote to Banque Canadienne Nationale return.

Wheat Pool Faces Most Crucial Test in New Crop Year

"Orderly Marketing" Works to Advantage of Others

CARRYOVER IS HEAVY

Banks Withhold Decision and Advance to Farmers is Likely to be Less This Year

By Staff Editor

WINNIPEG.—After five years of more or less successful operation, the Wheat Pool now faces the task of explaining to its members its inability to carry out the basic principles of its foundation, namely, orderly marketing and the regulation of wheat prices.

How it will do that remains to be seen. Meanwhile the majority of Pool members are content with results already attained. Whether they will be content with the showing for the 1928-1929 crop year is a matter of extreme doubt.

Conditions leading up to the present situation are not without interest. The pool started operations last year with a carryover of nearly 7,500,000 bushels. The crop last year was without parallel in many respects. Estimates of the wheat yield, officially and unofficially, were wide of the mark. Even today there is some hesitancy in placing a final estimate on last year's outcome. Sufficient to say, however, the yield of wheat was well in excess of 430,000,000 bushels. Of this amount, the pool handled roughly 200,000,000 bushels.

Grain Prices Drop

Until last month, an excellent price was secured for wheat. The grain exchange average for the year up to July 31 was about $1.46 a bushel. The Pool already has made interim payments of $1.40 a bushel on the basis of No. 1 Northern. The amount received by the farmer actually was much less, as only about 1 per cent. of last year's crop graded No. 1, while the average was less than No. 3.

A final payment is due to the farmers, but it is doubtful if it will be made in view of recent developments.

In the past three or four weeks—on the news of an exceptional crop in the United States and Canada—wheat prices tumbled to a point where they are lower than for some years past. Current quotations of $1.10 a bushel for No. 1 Northern, on a purchasing power basis, are much below those prevailing immediately prior to the war.

If the Pool was or is capable of bringing about orderly marketing and thus maintain prices then why the present break in prices? Again is not the pool's attempt at orderly marketing partially responsible for the falling off in values?

Although there is no information available at the moment as to the amount of wheat carryover into the 1928-1929 crop year, there is a reasonable certainty that the quantity is far above normal. In the United States, Argentine and Australia, the other principal wheat exporting countries, the carryover is normal. Why this disparity exists can be argued from morning till night, but there are many in the West that lay the blame at the door of the Pool.

Held Back Wheat

Why this is so is explained as follows: During the first eight months of the last crop year, the Pool marketed a fair quantity of wheat at prices above the average which prevailed throughout the twelve months. In its desire to bring about orderly marketing, the pool held back a considerable quantity, especially during the months of April, May and June.

During those months Australia and Argentine exporters marketed their grain as fast as possible at prices that were held up by the refusal of the Pool to market its stocks. As one grain exporter here said: "The Pool held the bag for its Australian and Argentine competitors."

Then came the highly encouraging crop reports from the wheat growing sections of Canada and the United States and prices started to sag. The Pool undoubtedly has been caught with a large quantity of grain still to be marketed.

Sell to New Pool

As far as the 1927-1928 pool is concerned, this will not affect returns, as the carryover will be sold to the incoming Pool.

Meanwhile the Pool is going ahead with its campaign to enroll new members for the five year contract. The first attempt was a failure as the objective was far from being reached.

Nothing daunted, however, the Pool has gone ahead with its campaign to secure contracts and is advertising widely the benefits of membership. The form this advertising has taken verges almost on the blatant. For example, the following was excerpted from an advertisement which appeared in a large number of Alberta papers during the latter part of May last:

"Except for those who have not had their grain threshed owing to weather conditions, and the few who held their grain since last harvest, the non-Pool farmers have little concern in the present higher prices for wheat. The "Average Closing Prices" ever on the lips of the Grain Trade should really be figured during the time the bulk is going on the market. That is, from September to April. With very little wheat in non-Pool farmers' hands how can they be benefited by high prices from now on?

"Wheat Pool members, on the other hand, have a vital interest in present prices. They have seen their Pool start the crop year under a burden of tremendous wheat supplies and a handicap of a cloud of 'bearish' news. Last fall grain poured in rivers into Winnipeg, and Vancouver's facilities were taxed to the limit. Argentine had raised a tremendous crop. Europe's production was up by millions of bushels. The United States wheat crop was heavy and altogether things did not look any too rosy.

"The Canadian Pool had a difficult task on hand and Pool members may have a good excuse for a feeling of elation at the successful manner in which a grave situation was handled by the organization they had created. Pool members are now in a position to participate to an appreciable extent in the rising market prices.

"If there was no Wheat Pool in Western Canada what would the situation have been? The bulk of the wheat would be out of the farmers' hands and in the hands of market intermediaries who would reap a very rich profit indeed. The Wheat Pool has changed this situation in a decided fashion. Now Pool members can sit back unworried and feel assured they will get the best year's average price for the product of their labors."

In view of the foregoing, the Pool has been somewhat remiss in allowing prices to decline so sharply in the past few weeks. That is if it could control prices, as many of its leaders have stated.

Furthermore, agents of the Pool are going through the country making the definite statement that the Pool will advance $1 a bushel on No. 1 Northern for the 1928 crop. The private elevator companies certainly will not make any such advance on the new crop on a falling market. And as the banks, at the moment, have not determined what advance they will make, one is led to wonder who is going to put up the money. The banks, of course, will advance money, but every one connected with the grain trade will be astonished if it is anything like a dollar a bushel.

The announcement of the bank advance is overdue. Possibly the banks are waiting to see more stability in the market before coming to any decision. They may make an advance of 85 cents a bushel on No. 1 Northern, but certainly not $1 as long as present conditions continue.

In that event, will the Pool members be content to take a smaller advance than last year. In view of the promises made by the Pool and its comparatively good record for the past five years the inevitable conclusion is that there will be a lot of grumbling.

In its own interests the Pool will endeavor to make the largest advance possible for the 1928 crop in the hope that conditions later on may bring about a price advance.

It is taking a long chance, however, in view of current conditions. While hail, rain or frost may materially affect the Canadian wheat crop between now and threshing, the chances are slim, and everyone is looking for a yield in excess of five hundred million bushels. Adding to this a carryover of anywhere from 50,000,000 to 70,000,000 bushels, and deducting 100,000,00 bushels for domestic consumption, there remains for export over 400,000,000 bushels.

There is also the United States crop to be taken into consideration. The latest estimate gives that country a yield of fall and spring wheat of about 891,000,000 bushels, one of the largest crops in recent years. Over 250,000,000 bushels of this will be available for export, which, added to Canada's surplus, creates an unprecedented volume.

The wheat pool now has an opportunity to show what it can do in the way of bringing about orderly marketing and advancing prices. How it will be able to bring about any appreciable increase in prices, despite an obvious over-supply of wheat, will be followed with interest by both opponents and proponents of the Pool.

To Label Products of Nova Scotia

From Our Own Correspondent

MONTREAL.—The government of Nova Scotia is to distribute free through its department of Natural Resources labels of various sizes on which are printed prominently the words: "Products of Nova Scotia, Canada." It is expected that two million distinctive labels will be placed on Nova Scotia products this year. The government will give the design of the labels much publicity with the object of making it well known and a popular symbol in the markets of the world.

Wheat Shipments Make July Record in Export

The effect of the large grain shipments that have been necessary this summer to catch up with abnormal stocks on hand is seen in Canadian export figures for July. Exports of $125,530,791 probably gave the month the largest July total on record.

Exports were $79,400,000 in July a year ago and $125,500,000 in July this year. Most of the increase was in wheat. Wheat exports in July, 1927 were $10,000,000 and in July this year $42,300,000.

Imports in July were $103,403,649, an increase from the July 1927 figure of $90,598,447.

Ford at Capacity

FORD.—The Ford Motor Company of Canada, Limited, is now at the peak of production, turning out 50 cars a day, which, however, is not yet equal to the demand for "new Fords," according to W. R. Campbell, vice-president. The company has more than 10,000 persons on the payroll.

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WALTHAUSEN HAT EARNINGS GROW IN FISCAL YEAR

Preferred Dividend Was Earned Three Times Over After All Charges

From Our Own Correspondent

MONTREAL.—The annual report of the Wolthausen Hat Corporation for the last fiscal year ended May 31, reveals substantially increased earnings with a strengthening in the company's liquid position. The preferred dividends during the year were earned three and a half times over.

The following figures showing the income account and working capital position figures over the past two years reveal the progress which the organization is making:

	1928	1927
Gross profits	$254,922	$212,445
Expenses, includ. deprec.	163.562	143,777
Net profits	$ 91,360	$ 68,668
Bond interest	14,000	27,749
Other interest	14,808	......
Bond discount	1,500	......
Reorganization expenses	581	581
Provision for Income Tax	3.242	2,666
Provision for Sink. Fund	6,000	6,000
Income Tax adjustment	198	......
	$ 40,329	$ 36,996
Net profits for year	$ 51.031	$ 31,672
Preferred dividends	14,000	14,000
	$ 37,031	$ 17,672
Less special adjustment	170	......
	$ 38,861	$ 17,672
Working Capital Position		
	1928	1927
Current assets	$472,336	$404.079
Current liabilities	175,214	156,049
Net Working Capital	$297,122	$248,030

Larger Royal York

A further 136 rooms are to be added to the new Canadian Pacific Toronto hotel, the "Royal York," which was already destined to be the largest in the British Empire. The extension will be 17 storeys high, with eight rooms to each floor. The hotel will, when completed, then have 1,200 rooms.

Higher Accounting

Courses under the personal direction of W. S. Ferguson, C.A., given through the Shaw Schools, Toronto, will qualify you for any known degree given by Canadian Associations. Please write Dept. P, Bay and Charles, for particulars.

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IRON, STEEL OUTPUT HOLDS ABOVE '27

Though Production in July Fell Below Previous Month in Volume

Production of pig iron in Canada during July amounted to 95,422 long tons, a decline of two per cent. from the record for the year at 97,379 tons, established in June. During July of last year 50,997 tons of pig iron were produced.

Compared with the figures for the previous month, the totals for July show that more foundry iron was made but the gain was not sufficient to offset the decline in the outputs of the basic and malleable grades. Tonnage of foundry iron advanced to 36,393 tons from 25,968 tons, basic iron dropped to 57,397 tons from 69,040 tons and malleable iron declined to 1,632 tons from 2,371 tons in June.

For the seven months ending July 31, 1928, the cumulative production of pig iron in Canada totalled 563,435 tons, an increase of 24 per cent. over the 454,710 tons reported for the corresponding of a year ago which in turn was 4 per cent. over the tonnage for the first seven months of 1926. This year's output included 413,199 tons of basic pig iron, 124,469 tons of foundry iron and 25,767 tons of malleable iron.

Steel Ingots and Castings

Production of steel ingots and direct steel castings in Canada at 82,807 tons in July was 29 per cent. below the output of 116,530 tons for the previous month but 50 per cent. above the 55,250 tons reported for July of a year ago. Decreased output of basic open-hearth steel ingots accounted for the decline; this grade dropped to 78,528 tons from 111,324 tons.

For the seven months ending July the cumulative production totalled 731,145 tons as against 542,560 tons produced during the corresponding period of last year and 496,031 tons made during the first seven months of 1926. This year's output, to date, included 705,133 tons of steel ingots and 26,012 tons of direct steel castings.

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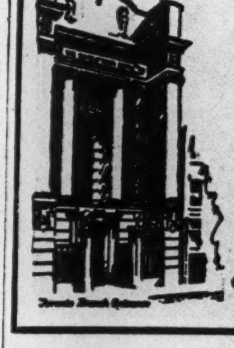

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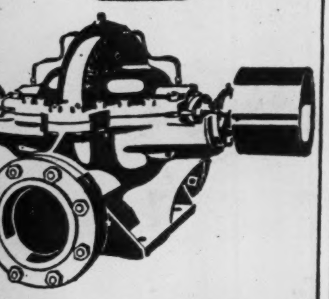

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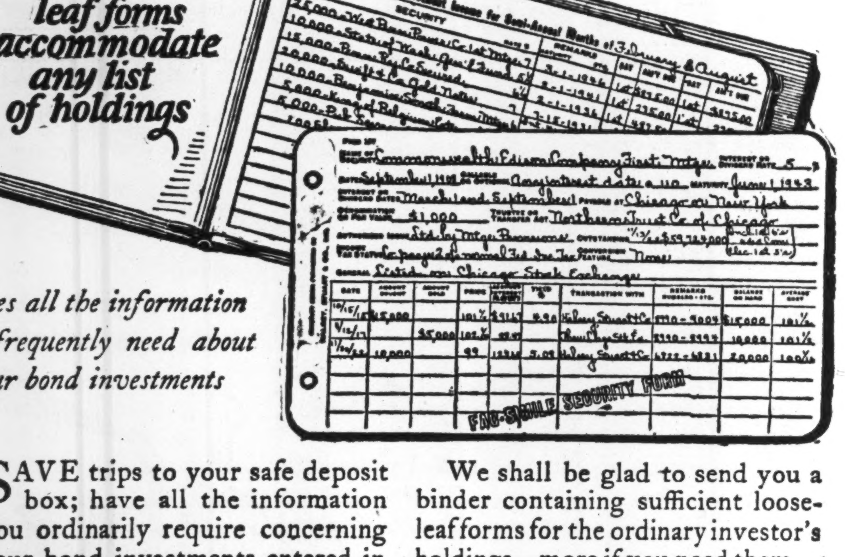

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Rubber Grower's Association
INC.
2, 3, & 4, Idol Lane, Eastcheap,
London, E.C. 3, England

Acadia Sugar Stronger in Net Liquid Assets

From Our Own Correspondent

MONTREAL.—It is understood that earnings to date this year, of Acadia Sugar have been substantially in excess of bond interest requirements. Some time ago the company was refinanced by a bond issue now largely held by Canadian investors. The company's cash position is strengthening, and an increase in its working capital at the end of the current year may perhaps be expected through the ploughing back of surplus earnings into the property.

The Canadian sugar refineries have asked relief from the federal authorities from the situation now existing in which Cuban refineries are selling sugar in the Canadian market at a figure which does not permit a fair return on the investment of the Canadian companies. However, the opinion seems to be that the industry can expect little help from the government.

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Unlimited power at low rates has been one of the contributing factors in making Montreal the great industrial centre it is today.

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Public Utility Investments

MONTREAL POWER SOON TO ISSUE CUSTOMER STOCK

Additional Shares Will Not Disturb Market Position

From Our Own Correspondent

MONTREAL.—In three weeks time Montreal Light, Heat & Power Consolidated will sign, seal and deliver 100,000 of its shares to its customer-shareholders who have been purchasing these over the last two years.

Some qualms have been aroused as to what effect the delivery of this large block of stock will have on the market situation, but officials of the power company are apparently not worrying on this score.

In fact, they are pleased with the way the campaign has worked out, and over the 24 months period, out of a total of some 20,000 shareholders, less than 200 have defaulted in their payments or asked for a refund.

Not only that, but the payments have been met promptly, and a few customers have willingly foregone their monthly discount on their light bill so that they might have funds to make the payment on their stock.

As to the possibility of this stock being thrown on the market, it is pointed out that at least half of the shares were sold to Montrealers who were already shareholders in the company. It is thought therefore, that these people will not be anxious to get rid of their stock, which they are already holding among their investments. Of the other half, it is considered highly improbable that more than one quarter of the customers will want to get rid of their stock, even though it shows them something like a 100 per cent. profit over the two year period.

12,000 At Most

Assuming then that at the very most, some 20 or 25 per cent. of the new customer-owners decide to take their profit, this would mean approximately 10,000 or 12,000 shares thrown on the market. However, it will take several weeks to issue the stock and distribute it, and considering the fact that the stock is largely in two or five-share lots and also that there is almost invariably a very good buying demand for Montreal Power, there is little likelihood of any real fluctuation.

One theory that has been put forward, is that the company might at this time announce some increase in dividend or other distribution by way of making assurance doubly sure. In official circles, however, this theory is discredited, because although undoubtedly Montreal Power will increase its dividend eventually, it is not felt that the present time will be chosen for such action.

Good Campaign

Certainly the company has taken every precaution to sell its new shareholders on the soundness of their investment in Montreal Power. Starting last March, a series of letters have been sent out regularly with the monthly bill, drawing attention to the strong position the company holds, its steady increase in business, its future possibilities and finally driving home the point that investment in Montreal Light, Heat & Power is a permanent and profitable one, jealously to be guarded and maintained.

Public Utility Earnings

Southern Canada Power

July—	1928	1927
Gross	$ 151,995	$ 120.367
Expenses	49,217	47,222
Net	102,778	73,145
10 Months—		
Gross	$1,492,621	$1,253.417
Expenses	476,623	428,522
Net	$1,015,998	$ 824,895

Jamaica Public Service Company

Month of June—	1928	1927
Gross earnings	$ 55.694	$ 54,705
Operat. expenses & taxes	33,973	31,970
Net earnings	$ 21,721	$ 22,734
Interest charges	5,340	6,157
x Balance	$ 16.380	$ 16,577
12 Months ending June 30—		
Gross earnings	$702,748	$674,192
Operat. expenses & taxes	412,489	397.436
Net earnings	$290,258	$276,756
Interest charges	68.480	73,938
xBalance	$221,778	$202,818

The above figures converted from £ Sterling at the rate of $4.86-2/3 to the £1.

x—For Reserves, Retirements and Dividends.

B. C. Electric Ry.

June—	1927	1928
Total gross earnings...	$1,028,475	$1,068,252
Less: Work. exp., etc.	765,957	790,321
Net income	$ 262,518	$ 277,931
Agg. gross earn. from July 1, 1927, to June 30, 1928	$12,748,468	$13,441,321
Agg. net earn. from July 1, 1927, to June 30, 1928	$3,639,608	$3,890,325

Winnipeg Electric

Total gross for June, 1928, was $481,008, an increase of $17,392 over the same month of last year. Net, however, was $7,228 lower at $146,866.

Total gross earnings from January 1 to the end of June amounted to $3,116,534, an increase of $104,434, whilst net earnings showed a decrease of $73,484 at $1,016,705.

Canadian Western Natural Gas. L. H. & P. Co.

	1928	1927	Incr.
Earnings—July	$ 68,289	$ 53,270	$ 15,018
Jan. 1-July 31	1,134,983	963,201	171,781

Railway Earnings

	1928	1927	Incr.
Aug. 14—			
C.N.R.—Gross Earnings	$5,292,246	$4,785,172	$507,074
C.P.R.	4,306,000	3,722,000	584,000

N. B.'s Forest Grows

FREDERICTON.—Experts who have covered much of the forested area of New Brunswick this year report that 1928 has been another year of marked growth in the woods. The growth is noticeable in all sections but particularly in young growth. Actual measurement in some cases showed a growth of twenty--two inches in the terminal buds on fir, and other species grew in proportion. The period of growth is not yet twenty-two inches in the terminal buds good two feet increase in length for the season. The chief cause for this growth has been the steady rains, the forest never having suffered from lack of moisture. Conditions of temperature also were extremely favorable to growth of coniferous trees.

Western Natural Gas July Earnings Higher

Canadian Western Natural Gas earnings in July were 28.2 per cent. ahead of July of 1927, the respective figures being $53,270 and $68,288. Earnings from January 1 to July 31, 1928, were $1,134,982, compared to $963,201 for the corresponding period of last year. This represents a gain of 17.4 per cent. despite mild weather in the spring months which reduced the consumption of gas in Calgary and other places served by the company.

Canadian Western Natural Gas is one of the most profitable subsidiaries controlled by International Utilities. In the last year, this company has benefited from new franchises with various communities in Alberta and Southern Saskatchewan. The corporation, though Canadian Utilities, has been expanding in the electric field. Canadian Western Natural Gas has advantageous contracts with Imperial Oil whereby gasoline is extracted from the wet natural gas from wells owned by the International Utilities subsidiary.

Investment interest in Canadian Western Natural Gas itself is confined largely to the 6 per cent. preference stock, but the steady appreciation in the value of International Utilities "A" and "B" shares is largely a reflection of the improvement in the earnings of Canadian Western Natural Gas and Canadian Utilities.

Canada Northern Increasing Output

From Our Own Correspondent

MONTREAL.—The output of the Canada Northern Power Corporation for the first six months of the current year showed a substantial increase as compared with the company's power sales during the corresponding period of a year ago. The output for the first six months of 1928 was 168,000,000 k.w.h., as compared with 147,000,000 k.w.h. in the first half of 1927. During the month of June the output increased by 5,000,000 k.w.h. from 24,000,000 k.w.h. a year ago.

RADIO INDUSTRIES SHOW PRODUCTION ABOVE $8,000,000

Imports Also Large—Now 268,000 Licensed Sets in Canada

Production of complete radio sets, radio parts and accessories and radio batteries in Canada during 1927 was valued at $8,789,171, an increase of 40 per cent. over the value of $6,324,881 for 1926, and 22 per cent. above the figure of $7,110,628 reported for 1925. Output of complete radio receiving sets amounted to 47,500 sets valued at $3,748,622 in 1927 as against 42,430 sets worth $2,253,098 in 1926.

Returns were received from 41 establishments in this field of which 13 produced complete radio receiving sets worth $3,748,622; 19 made storage or dry cell batteries valued at $2,572,993, and 6 made vacuum tubes worth $1,341,748. Other lines of production included complete transmitters, battery eliminators, transformers, telephones, loud speakers, aerials, condensers, coils, couplers, panels and other miscellaneous parts and accessories. This survey does not include the great number of custom workers who assemble or build sets and parts to order as only 15 firms, out of a total of 41 firms reporting, had a production valued at less than $25,000.

268,000 Have Licenses

As reported by Lynn W. Meekins, United States Trade Commissioner at Ottawa, the exports to Canada of radio sets and parts from the United States during the calendar year 1927 amounted in value to $3,163,903 and included the following items: 28,925 receiving sets worth $1,128,893; 107,143 tubes valued at $145,051 and $1,859,818 worth of parts and accessories.

Radio licenses were issued by the Department of Marine and Fisheries during the fiscal year ending March 31, 1928, to 268,055 persons as against 215,650 in the corresponding period of the previous year. Ontario led all provinces with a total of 125,012 and Quebec was next with 51,347. Registrations in the other provinces were as follows: Saskatchewan, 26,635; Manitoba, 19,288; British Columbia, 18,561; Alberta, 14,936; Nova Scotia, 7,106; New Brunswick, 4,475; Prince Edward Island, 587; Northwest Territories, 94, and Yukon, 14, Licensed broadcasting stations were distributed as follows: Ontario, 38; Saskatchewan, 15; Alberta, 14; British Columbia, 13; Quebec, 9; New Brunswick, 4; Nova Scotia and Prince Edward Island, 2 each.

Winnipeg Electric Soon to Obtain Power Site

From Our Own Correspondent

MONTREAL.—The latest advices from Ottawa, all bear out the opinion frequently expressed by The Financial Post that the Winnipeg Electric Company is to obtain the Seven Sisters Falls power site. It is said that within a few days the final settlement between the Dominion and Manitoba governments as to the disposition of the site may be expected. When Premier John Bracken, of Manitoba, was in Ottawa for the natural resources conference, he withdrew the application of his government for the development of the Seven Sisters site. Hence, the field is now left open for the consideration of the Winnipeg Electric Power Company's application. It is understood, moreover, that the Manitoba premier has notified the Federal government that he is in favor of having the falls awarded to the private company for development. Hon. Charles Stewart, Federal Minister of the Interior, has been in Winnipeg conferring with Premier Bracken and it is said that the transfer will be completed very shortly.

Commercial Alcohols Adds New Line Soon

From Our Own Correspondent

MONTREAL.—It is understood that the new plant of the Commercial Alcohols will be ready to produce magnesia carbonate within five or six weeks. The development has been undertaken by the company with a view to offsetting in part the declining earnings which arose through the larger producers of alcohol cutting prices to eliminate competition by many other smaller producers. The company acquired its new plant by buying a building located adjacent to its distillery from the Montreal Harbor Commission.

BRAZILIAN RISES AS JULY REPORT SHOWS BIG GAIN

Net For Seven Months $1,434,737 Ahead of Last Year

From a low for the week of 51½, Brazilian Traction up to the close of the exchanges on August 21 rose to 55¼ on sales aggregating 27,611 shares, compared with sales of 45,992 shares the previous week at prices ranging between 51 and 53½.

July earnings statement and some apparent easing in the money situation in the Montreal market probably account for the rise in Brazilian values. The earnings statement shows $318,318 increase in gross for July and a $149,088 increase in net. The gross from January 1 has increased some $2,436,000 and the net by $1,434,737, compared to the corresponding period of last year.

Following are the official figures:

July—	1928	1927	Increase
Gross earn.	$3,664,401	$3,346,083	$ 318,318
Oper. exp.	1,530,551	1.361,321	169,230
Net earn.	2.133 850	1 984,762	149,088
Aggre. from Jan. 1—			
Gross	24,203,361	21,767,072	2,436,289
Net	14,029,789	12,595,052	1,434.737

NO LET-UP SHOWS IN STEADY GROWTH OF BUILDING WORK

Permits in July Broke Previous Records For That Month

The value of the building authorized in Canada during July showed an increase of $3,268,079, as compared with the preceding month, and of $9,527,791 as compared with July 1927. The aggregate for 63 cities was $25,896,986, as against $22,628,907 in June, and $16,369,195 in the same month of last year. The total for July, 1928, is the highest for that month since compilation was commenced in 1925.

Some 50 cities furnished detailed statistics, showing that they had issued nearly 1,700 permits for dwellings valued at approximately $7,000,000, and some 2,800 permits for other buildings estimated at about $18,000,000. In June, authority was given for the erection of some 1,700 dwellings and 3,600 other buildings, valued at approximately $9,000,000 and $12,000,000, respectively.

Increases as compared with June, 1928, were reported in Nova Scotia, Ontario and Saskatchewan, that of $4,629,679 in Ontario being especially pronounced. Elsewhere there were reductions, of which that of $1,925,702 in Quebec was most pronounced.

In comparison with July, 1927, all provinces registered improvement, the gain in Ontario of $6,394,357 being especially noteworthy.

Of the larger cities, Toronto reported marked increases as compared with June, 1928, and July, 1927; Montreal and Winnipeg recorded losses in the former, and increases in the latter comparison, while in Vancouver there was a falling-off in both comparisons. Of the other centres, Halifax, Fredericton, Moncton, Fort William, Kingston, Welland, Windsor, Woodstock, St. Boniface, Moose Jaw, Regina, Medicine Hat, North Vancouver and Victoria showed gains as compared with both June, 1928, and July, 1927.

Cumulative Record for 7 Months

The following table gives the value of the building authorized by 63 cities during July and in the first seven months of each year since 1920:

	Value of Permits Issued	
Year	In July	First 7 Months
1928	$25,896,986	$127,503,184
1927	16,369,195	97,211,914
1926	18.683,415	97,448,834
1925	12,812.603	78,712,320
1924	11,681,196	72,855,350
1923	13,078,547	86,126,043
1922	15,740,810	87.022,484
1921	10,965.891	66,737,575
1920	13,743,045	75,497,755

The aggregate for the first seven months of this year was greater than in 1927, the previous high level.

Lyall Construction Co. Shares More Buoyant

From Our Own Correspondent

MONTREAL.—The shares of the P. Lyall & Sons Construction Company, responded to the more buoyant markets this week. Accompanying the appreciation in the stock, the usual rumors arose, indicating that the company had again acquired a further large contract. Probably, though the real reason for the appreciation lies in the more buoyant market conditions. Those with some knowledge of the company's operations feel that with the tremendous volume of business which it now has on hand, the shares at their present level make an extremely interesting business man's speculation. However, the market record of the stock appears to indicate that the shares are more of a gamble than a speculation, despite the better situation of the company.

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BRAMPTON

For information write to C. M. Corkett, Town Clerk, Brampton, Ontario.

Look ahead!
CANADA—HER WATER POWER RESOURCES

HYDRO-electric power—one of Canada's greatest assets—has been the magnet that has attracted many of her most important industries. Without it her newsprint supremacy would be impossible and her mineral wealth largely untapped.

To harness her mighty rivers Canada has already expended over a billion dollars. She has constructed a dam larger than any other in the world—twice the capacity of the famous Assouan dam which holds back the waters of the river Nile.

But thus far she has utilized only four and a half million horse power—about a tenth of her force. Consider for a moment what the future holds in store when the additional forty million horse power is developed.

It has been estimated that every 1000 horse power developed creates employment for 385 men; this means that the development of this power could provide employment, directly and indirectly for over fifteen million men, who with their families will bring an increase in population of over sixty million.

There you have a glimpse of what just one of our resources means to Canada's future.

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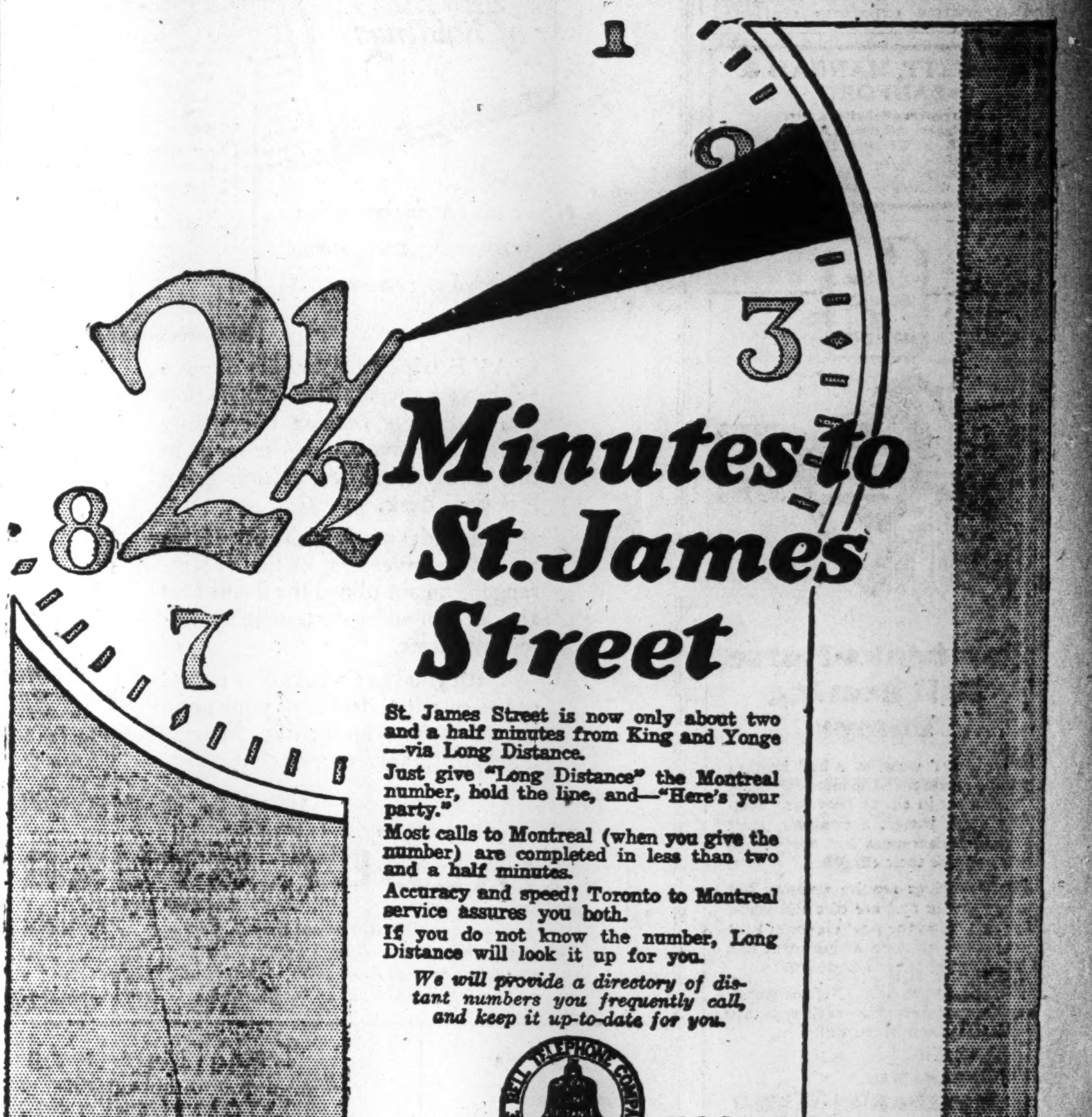
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THE BELL TELEPHONE COMPANY OF CANADA
W. J. CAIRNS
Manager

New Issue

David & Frère Limited

Class "A" Common Shares of no par value

The Company David & Frère Limited is one of the leading biscuit manufacturers in Canada. Total sales for the past five years have increased from $513,386 to $815,712 and net earnings from $67,751 to $105,066. These earnings for 1927 are equal to twice the amount required for an annual dividend of $2.25 on the Class "A" shares.

The Company has neither funded indebtedness nor bank loans outstanding; all income will therefore be applicable to the Common Shares.

Price: $35.00 per Class "A" share and accrued dividend, with a bonus of 40% of Class "B" shares.

Prospectus on request

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News of Investment Markets

NEW MATCH FIRM PLANS TO ERECT MONTREAL PLANT

Columbia Match Buys American Plant and Builds Here

WILL COMPETE

Enterprise Has Close Association to Old World Match Management

From Our Own Correspondent

MONTREAL.—A new competitive element has now entered the Canadian match arena, in the shape of Columbia Match Co. of Canada, recently formed under Dominion charter to acquire control of the Columbia Match of Cleveland Ohio, and to erect and operate a match plant in Montreal.

The present plant in Cleveland is reported to be operating at its capacity which is 90,000 cases per year of ordinary matches, and 250,000 cases of book matches. The new Canadian plant will also have the same capacity. The new sales manager of the plant will be Peter A. Conway, who for many years was associated with the World Match Corporation of Berthierville, the Canadian unit in the huge Swedish match combine that literally envelops the world. This latter plant it will be remembered recently went into a merger with Canadian Match, and the E. B. Eddy match works, and is now a part of the world combine although ostensibly under Bryant and May of Great Britain.

The other important figure in this new venture is James H. Weaver, president and general manager of the Cleveland company, control of whose stock has been acquired by the Canadian group. The company's actual production will be about 15 per cent. of the total Canadian business and in addition the company have considerable export business. The company's policy is stated as not one of price-cutting.

The new Canadian company is offering $650,000 of 7 per cent. cumulative convertible preferred, each share to carry a bonus of one common share. It is noteworthy that the preferred shares are convertible into common on a one-for-one basis until 1932. The details of the offering are as follows:

$650,000,000
Columbia Match Company of Canada Limited
(Dominion Incorporation)
Head Office—Montreal, Que.
7% Cumulative Convertible Preferred Shares
(Par Value—$100.00)

Capitalization:	Authorized	Outstand. (Including this issue)
7% Cumulative Convertible Pfd. Shares	$1,000,000	$730,000
Common Shares (no par value)	60,000 shs.	42,000 shs.

Business: Incorporated to acquire Columbia Match Co. of Cleveland, Ohio, and to erect and operate a match factory at Montreal.

Purpose: To erect a modern match plant at Montreal, provide working capital and so forth.

Shares: Preferred as to dividends and assets, callable in whole or part at company's option at 110 and accrued dividends.

Conversion: Up to and including January, 1932, holders of preferred shares have privilege of converting such shares into one share of no par value common for each share of preferred stock.

Directors, etc.: James A. Weaver; Peter A. Conway; Frank E. Wright; John J. Fitzgerald.

Offered: August, 1928, at $100 per share, with bonus of one share of common stock, by John J. Fitzgerald, Ltd.

Bond Notices

A meeting of the holders of certificates of participation in the Atlantic and Lake Superior Trust Fund will be held in the offices of the Quebec Oriental Railway company at Temple Chambers, London, England, on September 4, to appoint one or more members to the committee of management, to replace present members, to alter the constitution of the trust fund and to fill vacancies in such committee caused by death, absence or resignation, by defining the powers of the vice-chairman, by altering the official address of the committee of management, by striking out the provisions requiring meetings of the committee to be held either in Montreal, London, or Paris, and so forth.

The directors of Canadian Assets Realization Co., have declared a half-yearly interest payment on the 4 per cent. convertible income debentures of the company. The interest is payable Sept. 1, and covers the period from Jan. 1 to June 30, 1928.

BOND REDEMPTIONS

	Rate	Due	Redeem.	Price
St. Law. Paper Mills				
A & B, 20-yr.	6%	1928	Sept. 1	105
10-yr. debs.	6½%	1929	Jan. 2	102
N. Bawlf Grain	6½%	1939	Sept. 1	105
Que. R. L. H. & P.	5%	1939	Dec. 1	105
Beauharnois Elec.	5%	1942	Sept. 1	105
Brompton P. & P.	6%	1946	Sept. 1	105
N. S. Trams "A"	7%	1952	Oct. 1	110
Annex Realty Corp.	7%	Serial	Sept. 1	105
Canada Vinegars	6½%	1945	Dec. 1	105
Drummond Invest.	6½%	1938	Nov. 1	105
Mercury Mills	6½%	1942	Nov. 15	105
Murray Bay Paper	6½%	1947	Oct. 1	105
N. Bawlf Grain Co.	6%	....	Dec. 1	100½
Annex Realty	7%	Serial	Sept. 15	105
347 Bay St.	7%	1940	Sept. 1	103
Howard Smith	6%	1934	Dec. 1	105
Guelph Carpet	6%	1947	Sept. 1	105
P. Lyall	6%	1932	Sept. 1	105
Man. Paper	6½%	1946	Oct. 1	105
St. Anne Paper	6½%	1946	Sept. 1	104½
St. Anne Paper	6½%	1936	Sept. 1	104
Brompton P. & P.	6%	1935	Nov. 1	105
Abitibi Power	6%	1931	Sept. 15	101½
St. Maur. Paper	6%	1945	Sept. 1	105
St. Maur. Paper	6%	"B"	Sept. 1	105
Brompton P. & P.	6%	1946	Sept. 1	105
Abitibi El. Dev.	6%	....	Oct. 1	105
Rolland Paper	6%	....	Jan. 2	105
Consumers Glass	6%	1935	Nov. 1	100

PLANT MANY TREES

WINNIPEG.—The Tree Planting Division of the Forest Service, Department of the Interior, reports that there are now nearly 13,000 flourishing plantations scattered over the Canadian prairies where in former times one could travel for miles without seeing a tree. Besides affording shelter for homesteads and crops and preventing soil-drifting, these plantations have made it possible to establish orchards, vegetable gardens, and plantings of bush fruits such as raspberries and currants, all of which were practically unknown on the prairies a few years ago.

Investors Have Cash But Waiting to Buy

"There is more money available for investment right now than at any time for many, many months" remarked a bond man this week. "It is simply psychology that is keeping it from being put to work. People are waiting to see what will happen. When investors are convinced that the time has come to buy there will be any amount of money for investment."

This man's firm keeps records of maturing bonds, dividend and interest receptics, of its clients. These records show the clients to have a large amount of money at the present time. But when salesmen, armed with these records, approach the clients they find it hard to "close" business. An air of timidity enshrines their clients. When fall comes, investment bankers expect better trade.

Lose on "Stocks in Trade"

In the meantime the bond houses find themselves loaded down with issues salable only at a loss. One house this week is declared to have dropped $110,000 on the unsold balance of a provincial government issue it was carrying.

Other houses carrying corporation issues find themselves forced to wait for the turn in the market before disposing of their wares. Some selling syndicates which were to run for a short period have been extended indefinitely.

The situation has slowed down new financing. Dealers are not buying new issues very freely.

But the fact that there is a large amount of money available for the purchase of securities when a more general feeling of confidence develops, is a strong factor in the situation and practically insures a more active market in the fall.

Speculators Are Hit

What has been said does not apply generally to the speculative fraternity. Those who continued to strain their resources right up to the time the stock market began to tumble have little ready cash in the bank and are put to it to meet the demands of the banks that they reduce their liabilities.

National Steel Car is in Strong Position

Writing of French Claim Clears Balance Sheet; Bigger Business, Prompt Deliveries, Better Liquid Condition of Company

Report of National Steel Car Corp. for the year ended June 30, 1928, reveals a far healthier condition in that company than has prevailed for many years. Both the income and surplus account and the balance sheet are distinctly encouraging to shareholders.

Operating profit was $538,849 for 1928, compared with $288,765 in 1927 and $151,103 in 1926. Net profit is $268,768 in 1928, compared with losses of $3,005 in 1926 and $30,979 in 1926.

Write Off French Claim

The surplus for the year, however, is only $5,291 for the reason that the company at last has decided that its claim for equipment sold during the war to the Paris, Lyons & Mediterranean Railway should be written off. This totals $263,477. The French Republic also was involved in the claim.

"In writing this claim off," says the report, "your directors are desirous of reporting that during the fiscal period under review official advice was received that no further payments could be counted upon, and as this claim was taken over from the old company in 1920, it was deemed advisable by your directors to accept this decision; otherwise there would be heavy expense in prosecuting.

"It will be seen from the accompanying statement," continues the report, "that this is the last item to be cleared off the balance sheet that was inherited from the old company (prior to 1921). It will also be noted that the earnings for the past year, as shown, are sufficient to absorb the amount of this claim without adversely affecting the surplus. In fact this shows a slight increase, from $2,164,731 to $2,170,022."

Volume of business in the last year was about 27 per cent. in advance of the previous year. About 10 per cent. of this represented an increase in railway equipment orders and the rest was in sales of equipment other than rolling stock.

Working Capital Higher

The balance sheet reveals a reduction in current assets, but a greater reduction in current liabilities, so that the working capital is increased from $1,016,405 to $1,079,958. The change in the current position, it is explained, was due to the more prompt delivery of railway orders and consequent payment therefor, which enabled the company to pay off its bank loans in full before the close of the fiscal year, while at the same time there is a great reduction in the amount of bills payable and in inventory of goods in process.

Robert J. Magor, the chairman and president, notes the change in financial control of the company in the last year whereby the United States interests were bought by a Montreal financial group and a block of issued stock placed in strong Canadian hands. Control now rests in Canada. A large amount of stock is owned by the management. Russell D. Bell of Montreal, and W. E. Phin, president of Dominion Power & Transmission Co., are new members of the board.

Following is the income and surplus account for the last three years:

	1928 $	1927 $	1926 $
Gross profit	534.849	288.765	151,103
Less:			
Bond Int.	54,969	76.520	81.600
Depreciation	211,110	215,250	55,003
Loss on trucks	......	......	45,479
Net profit	268,768	x3,005	x30,979
Less:			
French claim written off	263.477	......	......
Surplus for yr.	5,291	x3.005	x30.979
Prev. cap. & surplus	2,164,731	2,167,736	2,198,715
For'd	2,170,022	2,164,731	2.167.736

x—Loss.

Tenders and By-laws

Aug. 27.—Pont Viau, P.Q.—$20,000, 5½%, 20-year bonds. H. Sarrazin, sec.-treas.

Aug. 28.—Pointe Claire, P.Q.—$25,000 5%, 25-year debentures. J. J. Hunter, sec-treas.

Aug. 29.—School Municipality of Jonquiere, P.Q.—$48,000, 5%, serial bonds. Albert Laberge, sec.-treas.

Sept. 1.—St. Anicet, P.Q.—$4,000, 5% bonds, 1956. D. Crevier, sec.-treas.

Sept. 4.—Township of Wright, P.Q.—$40,000, 5½%, serial bonds. A. L'Ecuyer, sec.-treas.

Sept. 4.—Township of Tache, P.Q.—$28,000 5%, serial debentures. Joseph Duchesne, sec.-treas.

Sept. 4.—Parish of St. Joseph d'Alma, P.Q.—$20,000, 5%, serial debentures. A. G. Tremblay, sec.-treas.

Sept. 5.—Thorold, Ont.—$73,000, 5%, 30-instalment debentures. D. J. C. Munro, treas.

September 15.—Brandon, Man.—$125,000, five and one-half per cent. school district debentures, 1956. F. A. Wood, secretary-treasurer.

SASKATCHEWAN

Authorizations granted by the local government board from August 11 to August 18, 1928.

Schools: Baldwinton, $4,500, 15 yrs., Ann. N.E. 7 %, Sec.-treas., John M. Barclay, Baldwinton; Kelstern, $1,000 and $3,500, 10 yrs., Ann. N. E. 6%, Sec.-treas., W. S. Patterson, Kelstern; Lyndale, $5,500, 15 yrs., Ann. N. E., 6%, Sec.-treas., Wm. Wilkinson, Hoffer; Bozille, $600, 6 yrs., Inst., N. E., 6%, sec.-treas., Bernard H. Butler, Shellbrook.

Rural Telephones: Hoey, $2,000, 10 yrs., Ann. N. E., 7%, Sec.-Treas., L. A. Boileau, Hoey; Ponteix, $8,500, 15 yrs., Ann. N. E.; 7%, Sec.-treas., A. C. Browning, Pontiex; Tetlock, $350, 3 yrs., Ann. N. E., 7%, Sec.-treas., James Houston, Grenfell; Warrior, $4,350, 15 yrs., Ann. N. E., 7%, Sec.-treas., H. C. Bennett, Eatonia.

DEBENTURES REPORTED SOLD

Schools: Dakota, $4,500, 15 yrs., 5½%; Mayfair, $1,000, 10 yrs., 5¾% to C. C. Cross & Co., Regina; Hodgeville, $8,000, 15 yrs., 5½%; Hazlet, $1,500, 10 yrs., 6%; Elliott, $3,500, 15 yrs. 5¾% to H. M. Turner & Co., Regina; Clear Ridge, $1,800, 10 yrs., 5⅝%; Plato, $4,500, 10 yrs., 5¾% to Waterman-Waterbury Mfg. Co.; Turtleford, $25,000, 20 yrs., 5½% to H. J. Birkett & Co., Toronto.

Rural Telephones: Coronach, $14,000, 15 yrs., 6%, to F. Miles, Regina; Myren, $2,900, 15 yrs., 5½%, to Thos. P. Taylor, Regina; Mitchellton, $1,500, 15 yrs., 6%, Stewart, $4,000, 10 yrs., 5½%, to H. M. Turner & Co., Regina; Winton Park, $2,000, 10 yrs., 5⅞%, to Houston, Willoughby & Co.

QUINTE AND TRENT POWER BONDS SOLD

Additional Issue of $200,000 Offered a Price to Yield 5.85 Per Cent.

From Our Own Correspondent

MONTREAL.—To finance its expansion in the Toronto field, a $200,000 issue of the Quinte and Trent Valley Power Company's bonds was offered this week to yield 5.85 per cent. The power company has erected a plant in Toronto which is to supply both steam and power to the Canadian Paperboard's new plant in that city.

The present issue increases the amount of bonds which the power company has outstanding by $200,000. The particulars of the issue follow:

$200,000 Quinte and Trent Valley Power Co.
First Mortgage, 30-Year Sinking Fund,
Series A, 6 Per Cent Bonds

Dated: July 1, 1925. **Due:** July 1. 1955.

Capitalization:	Authorized	Issued
6% bonds	$1,000,000	$600.000
7% preferred	500,000	350,000
Common, n.p.v.	10,000 shs.	5,006 shs.

The Company: Has owned and operated since their completion in 1926 two plants at Campbellford and Frankford, Ont., developing a total of 4,000 h.p., which is sold in part to the parent company's paperboard mills and also to distributing companies in the surrounding territory under long term contract.

Purpose of Issue: To finance in part the development of a steam plant in Toronto to supply electric power and steam to the new Canadian Paperboard Company's mill in Toronto. The Canadian Paperboard owns all the stock of its power subsidiary.

Earnings: Last year available for depreciation and interest charges were a little below the bond interest requirements of the total issue now outstanding. Estimated earnings with the new Toronto plant in operation amount to 2½ times the bond interest requirements.

Sinking Fund: Equals 1½ per cent. of the largest number of bonds outstanding.

Security: A first mortgage on all the assets. The new Toronto plant has been built by a subsidiary company which is entirely owned by the Quinte and Trent.

Offered: August, 1928, by Johnston and Ward at 101½ to yield about 5.85 per cent.

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Vice-President

LEIGHTON McCARTHY, K.C., who was this week appointed a vice-president of the Central Canada Loan and Savings Company at a meeting of the directors.

CANADA DRY ALE PLANS PURCHASE OF TWO PLANTS

Expansion Program Tends to Reduce Localized Competition

Canada Dry Ginger Ale, Inc., is negotiating for the purchase of a soft drink concern in an Eastern United States city and for a food-product manufacturer.

These negotiations are in pursuance of a definite expansion policy which looks to the acquisition of local bottlers who now form the most severe competition for Canada Dry in view of the local bottlers' freedom from transportation expense, and the acquisition of companies manufacturing food products which can be distributed through the Canada Dry organization and which are less seasonal in character than soft drinks.

The company recently acquired the G. B. Seely's Sons, Inc., which has had a consistent earning record and possesses an excellent goodwill in the locality it serves, and an option still is in force for the purchase of the Campfire Corp. of Milwaukee.

Thus the expansion programme evolves itself as having two objectives: (1) To decentralize manufacturing and distribution, and, (2), to minimize the seasonal fluctuations in sales. It is said that sound localized companies which are acquired will be continued under their own names.

H. Victor Cawthra Dies; Head of Crown Life Co.

H. Victor Cawthra, President of the Crown Life Insurance Company and a prominent financier of Toronto, died this week. Mr. Cawthra in private life managed one of the largest family estates in Canada, the tremendous interests which were built up from the time of ihs great-grandfather being estimated to be worth $8,000,000 in real estate alone. A native of England, Mr. Cawthra came to Canada with his parents and was graduated from the University of Toronto. He entered the legal profession, but never practised, the family interests taking up all his time.

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HUDSON'S BAY CO. EXPANDS IN FURS

Acquires Substantial Interest in Firm with World Connection

An announcement in London by Hudson's Bay Company shows that a private company, with a capital of £860,000, has been formed under the style of C. M. Lampson & Co., Limited, to take over the firm of that name, and that a substantial holding in the new company has been acquired by the Hudson's Bay Company. This holding includes the interest of the late Edwin H. Goad.

The firm of Lampson and Co. is a very old-established one, having been in existence for about 100 years. It carries on a very large trade in furs from every part of the world. The Hudson's Bay Company occupies a unique place in the fur trade, the company dominating the industry so far as the products of Canada are concerned. By associating itself with a house where trade in furs is world-wide, the company's place in the industry will be of a much more comprehensive character, besides being advantageous to the financial interests responsible for it.

It is not intended to make any change in the administration of the business of Lampson & Co. The business will continue, as hitherto, under the management of the former partners, Alfred Curtis Lampson, Curtis Walter Lampson, Alfred Valentine Fraser, and Robert William Fraser. These gentlemen will act as directors of the new company. The holding acquired by the Hudson's Bay Company will involve no issue of capital by that company, which will finance its new acquisition out of existing resources.

Land Sales Higher

During the quarter ended July 31, the company sold 85,526 acres of farm lands for £200,800, as compared with 57,046 acres for £135,692 in the corresponding quarter of 1927. Sales of town lots were unimportant, amounting to £1,640, as compared with £2,934. Sales of agricultural land for the six months to the end of July were 168,908 acres for £416,300, against 110,242 acres for £271,654 in the corresponding half-year. The figures for town lots were £3,600 in the half-year just ended, as compared with £6,980. The cash receipts in the land department of the Hudson's Bay Company also reflect improved conditions; the total for the quarter was £101,600, against £81,662, and that for the half-year, £284,300, in comparison with £213,303.

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Bonds Retain Investors' Favor

Many wise speculators have already disposed of all or part of their speculative holdings and put their original capital and profits into good first mortgage bonds and well-seasoned, dividend-paying preferred stocks.

Such investment securities are more likely to appreciate than to depreciate in value, so that buyers are placing themselves in a position where they will have good collateral available when another opportunity occurs for speculation.

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Canada Offers No Asylum for Weak Derelicts of Life

An editorial in The Evening News, London, Eng.

"The trouble with Canada is that she wants nothing but the cream. Her attitude is that she is willing to leave the mother country with the derelicts, the old people and the diseased, for she wants nothing but the best."

Thus Mr. Ramsay MacDonald, on reaching Quebec. The statement has a plaintive ring. It is not uttered in praise. It may have been thrown off hastily by one who had forgotten that eager reporters would be clamoring for his opinion of Canada within five minutes of the steamer being made fast to the dock. It may suffer as the effort to say something definite briefly of one who, for reasons we need not now dwell upon, is compelled to spend most of his time saying nothing at inordinate length.

Of course Canada wants nothing but the best. What fools the Canadians would be if they welcomed to their shores the human derelicts, the aged and the diseased! We may pass over the fact that all of Canada, save a fortunate and well-populated segment of Lower Ontario and a strip of the British Columbia coast, is a country fit mainly for heroes to live in. Our Canadian brothers would not wish us to stress this aspect of the migration problem too severely, but we may say, without hurting the most sensitive feelings, that the hardy Scot from Orkney or the Western Isles has a better chance of becoming one of Canada's leading citizens than has the product of a town slum.

But even if the climate of Canada was as paradisal as that beach to which the melancholy, mild-eyed lotus-eaters came Canadians would still be incredibly foolish to welcome to it any immigrant, no matter of what nationality, who is likely to lower the national standard of health and efficiency. Why does Mr. MacDonald expect them to do it?

Once upon a time, when Industrial England was growing up by leaps and bounds, the evil tradition sprang up that anything with a pair of hands was a welcome asset to a country, provided the hands could be made to work long enough hours for a low enough wage. During that period England became the haven of half Europe's unwanted population; an asylum in more senses than one.

No doubt Mr. Ramsay MacDonald, who, like his colleague Mr. Snowden, is a better Liberal than he will ever be a Socialist, clings subconsciously to this tradition. Probably he does not realize what a warning England is to Canada—that, in the matter of population, quality and not quantity is the thing most to be desired.

But it is not Canada only. No country in the world to-day offers itself as an asylum to the aged, the sick, and the derelicts of any other country, whether for sentimental reasons or in the supposed interests of industrial expansion. Even Britain is becoming a shade—though only a shade—more cautious.

Canada's answer to Mr. MacDonald will be: "Keep your derelicts; or, better still, stop them from becoming derelicts. Keep your diseased; or, better still, cure them. Keep your old people instead of inviting them to spend their declining years in exile."

WILLARD'S CHOCOLATES, LIMITED, announce the resignation of Mr. E. G. Robinson from the Board of Directors and the position of Secretary-Treasurer. The following officers have been appointed.

Managing Director - - - - John D. Spackman
Secretary - - - - - - - Martin H. Toy
Treasurer - - - - - - - J. E. McCann

D. H. McDOUGALL,
President.

Toronto, August 20th, 1928.

New Issue—
State of Rio Grande do Sul
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Dated June 1, 1928 Due June 1, 1968
PRICE: 94¼ and accrued interest, yielding from 6.40% to 7.53%, depending upon date redeemed by Sinking Fund which draws Bonds by lot at 100% and interest beginning in 1932, in amounts calculated to retire entire issue by maturity.
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WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCES AND DOMINION GOVERNMENTS

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Midland, Ont.		Can. Bank of Commerce	5%	10-20-30-annual instal.	$228,000	99.03	5.25%
Rush Lake, Sask.		H. M. Turner Co.	6%	10-instal.	1,200	....	....
Sask. Schools & Phones	Aug.		...	....	94.200	....	....

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Building Corp of Montreal	Aug.	Direct	6%	....	$1,000,000	$100	6%
Victoria Cold Storage & Terminal Warehouse Co., 1st mtge.	Aug.	La Corp. des Obligations Municipales, Ltd.	6%	1938	580,000	100	6%
Commonwealth Subsidiary Corp. Debs., series "A"			5½%	1948	20,000,000	97	5¾%
Montreal Dry Docks, Ltd.	Aug.	Drury & Co.	6%	20-yr.	675,000	99	6.09%
Stock Issues—							
Bank of Toronto			...	....	10,000 shs.	$200	....

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THE FINANCIAL POST RECORD OF PROSPECTUSES. Half yearly, $7 per volume.

TORONTO, AUGUST 24, 1928

NEWSPRINT OUTLOOK

SOME investors are now being counselled to purchase the newsprint stocks at their present low levels. It is said that the future of the industry is bright and that despite the present over production of the industry the newsprint companies are making money. There can be no doubt that all this is true, but before purchasing newsprint stocks, the investor should be aware of both sides of the newsprint picture. In other words, he should be aware of just how speculative his holdings of newsprint stocks may be.

It is possible that newsprint stocks now are selling lower than they ever will be again—but it is also possible that they may hang around their present levels, or even sell lower during the next two or three years.

Despite the fact that the capacity of the mills is about 30 per cent. in excess of the demand for newsprint paper, two new large newsprint mills are being constructed in the Maritimes and other additions to the productive capacity of the plants are being made elsewhere in Canada.

For the future it is possible that the industry may adjust itself to the conditions which prevail in almost every other industry where capacity, or close to capacity production is always the exception. But in the newsprint industry costs decline much more rapidly as production mounts toward capacity than in perhaps nine out of eevry ten other industries. This is a factor which makes the mills strive for greater and greater production.

The Financial Post does not care to be pessimistic. And it is not pessimistic over the ultimate outlook for the industry. But it feels that investors are entitled to know something of the whole situation surrounding the industry.

This is perhaps presented in the Paper Mill, a U. S. journal serving pulp and paper industry which may or may not be too pessimistic; at any rate, the Paper Mills says:

"The situation has now a serious aspect on account of the strength of the various companies. If a price war develops and it is hard to see how economic forces of supply and demand can be long held off, the struggle will be titanic. It will be a war of giants, in which perhaps, much carnage will result before peace can once again be proclaimed. These forebodings have nothing to do with the importance of the industry as a whole. It is perhaps the largest in the Dominion from the point of view of money involved, production, wages, etc. It has a still brighter future ahead of it, because Canada is economically situated to continually extend its leadership in newsprint production of the world. Consumption will eventually catch up with productive capacity, and the equilibrium of supply and demand will again be restored."

DID THEY DIRECT?

THE present sorry state in the affairs of the Manufacturers' Finance Corporation calls attention once more to the infallibility of a list of distinguished names on a directorate. Well-known citizens in every part of Canada, some of them politicians of no little note, were members of the board of this company. Now it has gone to the wall and while the shareholders meeting to which the liquidator will make his report has yet to be held, enough has been disclosed to The Financial Post to indicate that it was bad management, in fact very bad management, that permitted the company to get into difficulties. The smash looks very much like a repetition of the Home Bank affair on a small scale. The apparent lack of knowledge by the directors of what was going on in the bank seems to have been duplicated in the case of some of the directors of the Manufacturers Finance. This seems a safe assumption for there were listed on the board of directors of that company a number of men who, we feel sure, would not have countenanced the apparently careless methods of handling insurance, reckless loaning to piano companies and other unhappy policies in the operation of this company. The point arises as it has often arisen before; did these prominent men permit their names to be used as directors or did they really direct?

The list as published in a recent annual report of the company is as follows:

President, Senator J. A. Macdonald, Ottawa; vice-president, J. A. C. Cameron, K.C., Toronto; secretary,treasurer, William MacDonald, Toronto; Hon. H. H. Stevens, Vancouver; Col. Robert Starke, Montreal; Senator G. D. Robertson, Ottawa; Col. D. R. Street, Ottawa; W. J. Westaway, Hamilton; William Duff, M.P., Ottawa; D. A. Morrison, Amherst, N.S.; Lt.-Col. Boyd Anderson, Moncton, N.B.; Lt. Col. John A. Cooper, Toronto; Charles B. Howard, M.P., Sherbrooke; Lt. Col. John L. McKinnon, Halifax, N.S.; A. E. Hill, Chicago.

One of these, Hon. H. H. Stevens, who had the misfortune to have been linked prominently with the operations of the ill-fated Canadian-American Oil and Refining Corporation a few years ago, was reported some time ago—before the crash—to have resigned from the board and The Post is informed of at least one other resignation prior to the crash.

But if Mr. Stevens and his fellow directors come in for some public abuse as a result of the losses investors have suffered in Manufacturers' Finance Corporation they have only themselves to blame. They went on the board of a company financing instalment sales at a time when instalment selling was in a rather unsettled and experimental stage. They permitted their names to be published in annual reports that revealed only large profits and hinted at none of the potential losses that were being piled up by carefree loans. They apparently permitted their names to go on booklets issued by the company that spoke of the "unimpeachable security" of the company's guaranteed investment receipts, and that referred to the stock as a "safe investment."

Obviously the president and directors of Manufacturers' Finance Corporation owe explanations to the public for their inability to make the company's performances square with its promises. Investors are ready to take their losses without murmuring when good management meets bad luck and a company suffers the consequences of business changes, economic conditions, etc. But what is needed now is some assurance that the directors of Manufacturers' Finance really did direct the affairs of that company.

PUBLIC IS PROTECTED

TORONTO newspapers are very suspicious of the proposal of the Consumers Gas Company to double its capital stock. They demand assurances that the new capital raised will be utilized to reduce rather than increase the price of gas and secondly that shareholders will split no melon as a result of the increased capitalization. These are very vague demands. What they really mean is this:

1. That the Consumers Gas Company should not extend its service outside the city of Toronto lest its extension into the suburbs should increase costs and thus make lower rates to citizens of the city areas possible.
2. That gas rates should not be increased to pay dividends on a larger capitalization.
3. That stock should not be sold to shareholders at less than the market price.

Let us consider these propositions in their respective order.

Citizens of Toronto are unduly alarmed when they assume that the extension by the gas company into the suburbs of Toronto will increase the company's cost of doing business. Officials of the company give assurance that the expansion of their business in areas contiguous to Toronto reduces the unit cost of doing business and this insures the citizens of the lowest possible price for their gas in years to come.

On the second point, there is equally no reason for apprehension. Every dollar of the new capital to be raised will be invested in new plant and new services. It will be this new plant and these new services that will earn the dividends on the new stock to be issued. Present consumers will not be asked to contribute one cent towards dividends on the new stock. So long as the capitalization merely keeps pace with the growth in the company's business and revenues there need be no rate increase. The higher total of dividends to be paid will come out of higher earnings by a larger plant that represents a greater total investment.

The recent Bell Telephone controversy is recalled by the third point. A very real issue is involved. The public, through the press and the politicians, has decided to question the right of a public utility corporation to sell its shares at any price lower than the prevailing price on the stock exchanges for similar shares already outstanding. The public is right in its belief that the price obtained by a company for its shares—if the company is practically restricted to a fixed dividend return—as are Bell Telephone and Consumer Gas—is a factor in its costs of operation and therefore in the rates to be charged the public. From that premise it proceeds to the conclusion that such companies should not offer stock to shareholders on a basis that gives the rights to subscribe any value at all. Theoretically the idea sounds well; practically it is in error.

The real cost of a company's capital is the average price it has to pay over a term of years for different blocks of capital it raises. The price received for any particular issue is of small moment. The directors have to take a long range view and sell their stock at levels that will insure complete absorption of all shares, that will maintain a satisfied group of shareholders always willing to supply new capital in good times and bad, that will attract new investors to the shares as old ones die or dispose of their holdings, in short at price levels that will find the proper balance between ease and economy in raising new capital. It has been found that when new issues are made the best plan is to fix for individual issues a figure somewhere below the market price; the cumulative effect of this practice is that in the end both investors and the consumers are fairly treated.

Those who demand that stock shall always be sold at the market price have not studied the history of Consumers Gas shares. Between 1920 and 1924 Consumers Gas Company made no less than twenty issues of new stock. The highest price obtained was $215.50 a share, actually higher than the present market price which the daily press demand the company shall accept. The lowest was made at $135 a share. Let us assume that in every one of these twenty issues the price to the shareholders was less than the prevailing market. How fat did these "melons" look to the shareholders when their stock sold down to $125 a share in the market as it subsequently did?

It is overlooking the hard facts of the case when it is assumed that a company can go on year after year putting out new stock at the peak of the prevailing markets and expect to keep open the doors to new capital. The current price of Consumers Gas discounts the possibility of new stock issues below the market. If the possibility of such issues were removed the stock would at once slump and putting out issues at the market might not bring one dollar more than they will bring under present conditions. In the final analysis the directors of the company are best qualified to determine how best to raise capital at the lowest over-all cost.

If Toronto citizens do not want the development of their city thwarted by lack of proper public utility extensions in the gas field they will not deny the gas company this increased capitalization, which is at once an evidence of Toronto's growth and a promise of future development.

BROADENING OUT

CANADIAN banking is becoming grown up. Comparisons between the bank statement of five years ago and the one that came out the other day shows that in only two directions does Canadian banking seem to be materially changed in character; one is in the extension of foreign business and the other is in the growth of a call money market in Canada. Both are evidences that Canadian banking is becoming more sophisticated and more cosmopolitan.

Five different classes of loans plus security holdings represent three-quarters of the assets of the banks. The loans comprise the following: call loans abroad, current loans abroad, call loans in Canada, call current loans in Canada and loans to municipalities and provinces.

Call loans abroad represent, chiefly, money loaned by the Canadian banks withdrew $23,000,000 of call There is a general impression that the Canadian banks rush money to New York every time money rates go up in that market, and that to send large sums to that market they restrict the credit of Canadian farm and factory borrowers. The complainants have been particularly vocal of late and many people think the banks have been using Canadian savings to finance the operations of Wall Street speculators. As a matter of fact the money loaned by the Canadian banks in New York is put there because loans in that market are more liquid than in any other market in the world. Money loaned on call in New York can be withdrawn and made available in an emergency more quickly than money loaned anywhere else. The New York loans are an emergency reserve. They represent a smaller percentage of the banks' assets than they did five years ago, the figures for June, 1923, and June, 1928, being 8.2 and 7.2. And during June when money rates were rising in New York, the banks withdrew £23,000,000 of call loan money from New York and other foreign centres.

But call loans in Canada have increased in five years from 3.6 per cent. of total assets to 8.0 per cent. This is apparently where a call money market is being created by the banks. It will be interesting to observe if the gradual development in this direction will lead to the establishment of a form of auction market for call money such as is seen in the United States. Undoubtedly Canadian banks, seeking stability, will resist such a trend for many years to come although many stock brokers would like to see the development.

Loans abroad of Canadian banks have increased from 5.8 per cent. to 8.1 per cent. of total assets in the five year period. Foreign deposits have increased in volume but are really a smaller percentage of the total public liabilities of the banks than they were five years ago. The policy of the banks has been in the past to require that foreign deposits and other funds should look after all of their foreign loans, in order that the Canadian borrower might not suffer but only benefit from foreign business. Apart from call loans in New York, foreign deposits much more than look after foreign loans, the respective figures being $376,000,000 and $271,000,000 respectively.

Strange enough, Canadian current loans in Canada represent a smaller percentage of the bank assets than they did five years ago. A casual observer would have expected them to show a much larger proportionate increase. But savings deposits have shown such a large increase and refinancing by companies has given them so much working capital that commercial loans have not kept pace with the increase in other items and to-day represent 35.4 per cent. of total assets as against 39.4 per cent. The real reason for the decline seems to be that Canadian banking is broadening out.

Comparative figures follow:

Percentage of Canadian Bank Assets Represented by:

	June 1923	June 1928
Current loans in Can.	39.8	35.4
Call loans in Can.	3.6	8.0
Loans abroad	5.8	8.1
Call loans abroad	8.2	7.2
Municipal and provincial loans	3.3	3.3
Securities	15.0	15.9
Percentage of total assets	75.7	77.9

FORD HAS 800,000 unfilled orders on his books which is four times his deliveries to date on the new model. Ford has sacrificed millions of dollars to refining his car. A man who is as careful as that will not be quickly downed in the industrial race.

POST-scripts

WE READ in Hardware and Metal that a cut in pneumatic tire prices recently announced applying on all makes lowers the difference between Canadian and Unitd States prices, on ordinary sizes, to between seven and ten per cent. and on a few of the large sizes to 15 per cent., although there is a heavy duty on rubber entering Canada. When the Canadian sales tax is taken into consideration the actual difference between the two countries is reduced to about three per cent. In 1910 a certain make of tire cost $42 and now it can be bought for between $5.50 and $12 and the present day product will give from three to six times more mileage.

The motorist certainly gets value for his dollar these days.

THE member of the staff of The Financial Post whose pleasure it was to review the annual report of Pure Gold Manufacturing Co. acknowledges receipt of a sample carton of chocolate bars manufactured and marketed under the Pure Gold name. He admits a mistake and appreciates the coals of fire. The presentation is a gentle, yet forceful, reminder that Pure Gold makes chocolate coatings for the confectionery trade, as well as chocolate bars. In citing the activities of this growing company, The Financial Post inadvertently omitted to mention this branch of the business which accounts for about 30 per cent. of the total volume.

The chocolate business of Pure Gold has grown remarkably in the last few years and much of the credit, it is believed, belongs to C. E. Spooner, a director of the company whose especial care is the chocolate department.

THE splendid anonymity of the newspaper reporter is becoming a thing of the past. Even the cub reporter on some daily papers now has his name emblazoned on even minor news accounts that he writes. The signed news story has gone to such extremes that newspapers now buy names to put on them. "Trained seals" in great numbers, prominent people who could not write a line if they tried, are now hired to cover murder trials and the like, but many of them do not touch their pen to paper nor their fingers to typewriter. Experienced reporters, who in such cases do remain anonymous, write their stuff for them.

One Toronto paper has a member of its staff travelling around interviewing folks of assorted varieties. The articles are all signed and the incessant publicity has given the writer more of a reputation than he would have gotten if he had stayed in the ministry where apparently he started his career. He interviewed an erstwhile prize fight champion the other day and did it in a most patronizing manner, clearly indicating that he considered he was doing the champion a favor. To which, no doubt, about 25,000,000 fight fans on the continent could echo—if they troubled to do so—"Who in the devil is the Rev. Mr. So-and-So?"

But not all Canadian newspapers have succumbed to the by-line craze. The Montreal Gazette staff men in and out Montreal and other centres, are as anonymous as the writer of a Bible tract confession although strangely enough New York Times foreign correspondents, whose stuff runs in the Gazette under a syndicating arrangement, get their names in that paper.

After all there is a certain charm in the old style of reporting when the reporter was not "I" but merely "a reporter for the Daily Glimpse," and this style of newspaper writing was well exemplified the other day in the article the Evening Telegram of Toronto ran concerning the visit of the Goodyear balloon to the city. It said:

"During its stay in Toronto the Puritan carried several people on flights over the town, the latter including J. G. Lane, treasurer; R. C. Berkinshaw, secretary; Edward Koken, superintendent, and C. S. Watson, advertising manager, and a reporter for The Telegram."

Everybody's name got in except the reporter's.

FOLKS and Finance

IT took such men as A. P. Sloan, Walter W. Chrysler and C. W. Nash years to learn how to delegate authority, declares an automobile man familiar with these leaders. He states that W. C. Durant has never learned and is even to-day occupying himself with Durant Motors' duties which could easily be entrusted to others. America has had many men of this caste says B. C. Forbes in Forbes Magazine. Conspicuously able themselves, they early learned to work prodigiously and got into the habit of attending personally to everything. Sloan still works incessantly; Nash nearly always can be found industriously at work at his plant; but Chrysler has in recent years built up an organization which permits him greater freedom than formerly. All three, this friend added, now know how to hand over authority to others.

Giants who fail to master this art never reach the limit of their possibilities—and often they die before their time. Rockefeller early in life had gumption enough to select partners and to place responsibilities on their shoulders. Judge Gary summed up the secret of large-scale management in these three words: "Organize, deputize, supervise." Was he not right?

"Stop Me If You've Heard This One"

An old lady, visiting London, asked a policeman the best way to get to her destination, and was advised to take the 412 bus. Later in the day, the policeman found her still standing in the same place.

"What, haven't you got your bus yet?" he asked.

"It's all right, constable," said the cheerful old soul; "this is the two hundred and twenty-third, so it will only be a hundred and eighty-nine buses from now."

Two Fallacies That Keep Canada and England Apart

England Thinks We Are Purely an Agricultural Country — Canada Thinks England is Backward in New Business Ideas

By HERBERT N. CASSON
Written from London for The Financial Post

THERE are two fallacies that keep England and Canada apart. They are as follows:

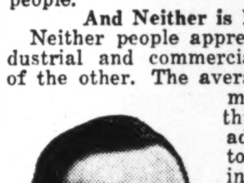
(1) The fallacy, generally believed in England, that Canada is an agricultural country and little else.

(2) The fallacy, generally believed in Canada, that there is no up-to-date industrial and commercial efficiency in England.

Having lived for 24 years in Canada, 20 years in the United States and 15 years in England, I may, perhaps, be in a position to mention these two fallacies and to show how they can be eradicated from the minds of English and Canadian people.

And Neither is Right

Neither people appreciate the industrial and commercial efficiency of the other. The average Englishman is apt to think that Canada is too new to be efficient in the arts of manufacturing and marketing and the average Canadian thinks that England's efficiency is old and out of date. Neither of these opinions is true.



H. N. CASSON

The English are inclined to lump all their Dominions and Colonies together and to look upon them as vast half-developed wildernesses. They have lost plenty of capital in helping to develop these wildernesses. They have believed many prospectuses that described "potential wealth" and "vast possibilities." They have learned to the full the risks of pioneering. And they have paid a heavy price for the knowledge.

That is why they prefer to lend money to Greece or Roumania or Poland, rather than to Alberta or British Columbia. They prefer an old and well-established country in Europe to a new country, thousands of miles away, even though the new country is under the British flag.

Always It's "Land"

The English people regard Canada as primarily a land of farms and forests. All of the titled people of England who have gone to Canada have gone to create landed estates. Not one has gone to manage a factory or a bank. The Prince of Wales has his Canadian ranch. Whenever the conversation, in the higher social circles of England, turns to Canada, it is always about land.

In England, agriculture is in a bad way. Very few farms pay. The fields are small and the methods are obsolete. No one regards agriculture as an efficient means of making money. Britain imports two-thirds of her food, because not more than 10 per cent. of the arable land is ploughed. The most of the farm land has gone back to grass.

Consequently, as long as England regards Canada as a farming country, the idea must remain in the English mind that Canada is only fairly prosperous. Agriculture and prosperity do not go together, such is the English opinion.

It May Be Our Own Fault

As yet, Canada has done nothing effective to remove this erroneous opinion. Whenever there is an exhibit of Canadian products, as there was at the Wembley Exhibition, four-fifths of the products are from the farm. In the windows of the Canadian Consular offices in London, there are farm products only. There has never been an exhibit of manufactures.

The man on the street in London regards Canada as a place that produces wheat, oats, barley and apples. He does not see the record of Canadian exports of manufactured goods He sees farm products only. And these do not leave the impression on him that Canada is a wealthy country, with a buying power greater than that of half a dozen European countries.

The second fallacy, which persists in the minds of Canadians, is that England is out of date in her manufacturing and selling methods. Everywhere in Canada I have found the opinion that all the latest ideas are to be learned from the United States, not from Great Britain.

Good Business Magazines

There are several business magazines, published in London, which are equal to any business publications in the United States, and they are practically unknown in Canada. There is the "Drapers' Organizer," for instance, which is superior to any American trade paper, yet which has very few Canadian readers.

Canada buys few business books from England. But she buys thousands from the United States. She buys the American editions of English books, often at a higher price.

Very few deputations of Canadian business men come to England to study methods of manufacturing and selling. No deputation, as yet, has come to England to study her methods of exporting.

Business Men Turn Tourists

When Canadian business men come to England, they turn their backs on the cities and visit the historic places and the country villages. They go home talking about Westminster Abbey and Stratford-on-Avon.

There are business firms in London that have been in existence for more than two centuries. There is the Hudson's Bay Company, which was started when the United States was a desolate wilderness, peopled only b Red Indians. There is Lloyds. There is the Bank of England.

Do Canadians go to England and study the causes of the success of these deep-rooted companies? No. They prefer to go to New York and study the bubbles that were blown last week.

Not So Glittering

This, in my opinion, is a mistake. I have lived in both countries and I have no hesitation in saying that there is just as much efficiency in one as there is in the other. The main difference is that the new American efficiency is showy, glittering and spectacular, and the old-established English efficiency is not.

Scientific management did not begin with Taylor. It began with Charles Babbage, an Englishman who wrote books on it in 1835, before Taylor was born. But Canadians do not know this.

In order to eradicate these two fallacies which keep England and Canada apart, I would suggest that an Industrial Exhibition of Canadian manufactured goods should be held in London. No wheat. No oats. No apples. Let the English see for themselves that Canada now ranks among the five greatest industrial countries of the world. This would give England a correct opinion of Canada.

Why Not a Deputation?

Then, I would suggest that a representative body of Canadian business men should go to England and study her best-managed mills and factories and her century-old companies and her export methods and her big department stores. This would entirely put an end to the fallacy that English methods are out of date.

England, too, might very well take some action to get these two fallacies out of the way. She might have an exhibit of industrial and commercial efficiency at the Toronto Exhibition; and she might send a committee from her Associated Chambers of Commerce to Canada, to make a survey of Canadian mills, factories, banks and insurance companies.

Plainly, it is to the interest of both countries that these two out-grown fallacies should be wiped out.

Scathing Letter Proves Boomerang

Control of Algoma Steel has chopped and changed since the first rail was rolled in 1902. At one time companies and officials were being changed almost overnight, which is doubtless responsible for the following story.

One of the subsidiary companies had bungled an order, and an Algoma official wrote to the manager telling him in no uncertain terms what he thought of him and his "blank, blank" organization.

The next day, instead of being delivered to the "blank blank" manager, the letter was delivered back to the sender who found that he himself had been appointed to guide the destinies of the subsidiary, and therefore would have to answer for the mix-up.

Investigation of Securities

Like every other Investment Banker, we receive constant enquiries for new capital from Corporation Executives.

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Stop! means STOP!

CARE COURTESY COMMON SENSE

7 Rules for Safety

1 Have your car in perfect mechanical shape—particularly Brakes, Steering Gear and Head Lights.
2 Give your undivided attention to your driving. In passing traffic, be sure there is a place for you in the traffic line ahead.
3 When other motor vehicles try to pass you—let them pass.
4 In entering main streets or highways, or in approaching a railway crossing where a full view of the track is obstructed, stop and look.
5 Don't "loaf" where traffic is heavy.
6 Always signal before you slow down, stop or change your course.
7 Never back up before ascertaining that the road behind is clear.

Stop signs mean just what they say whether on city streets or on country roads leading into main thoroughfares.

Drivers of vehicles must come to a dead stop immediately before entering a "Through" street or highway and they should always proceed with caution.

At the same time, a driver who has done this has obeyed the law and is entitled to every consideration by drivers on the "Through" street or highway. Cross traffic must not be held up unnecessarily. Courtesy must be shown to those seeking to cross or enter main thoroughfares.

The "Stop" signs contribute to safety, but the intelligence and carefulness of drivers is needed also if accidents at intersections are to be avoided.

Highway Safety Committee

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30A

Background of Business

Weekly Review of Canadian Conditions

CONDUCTED BY JOHN E. LANGDON

Building Permits Indicate Active Operations
Steel Production Considerably Lower in July
Reduction in Output of Newsprint a Constructive Factor
Exports of Wheat Were Heavy in July

THE interpretation of current information bearing directly on the trend of the physical volume of business in Canada is especially interesting at the present time. In other lines, marked changes have taken place during the last two months. A drastic decline in industrial stock prices occurred in June from the high level of the preceding month, according to the official indexes the highest point in the history of the stock exchanges. Later reactions carried the averages lower in July and August and markets have been very inactive, the number of shares sold on the Montreal exchange in July being slightly over 700,000 compared with 1,215,000 shares in June, the trading from September, 1927, to June ranging from 1,000,000 shares to upwards of 1,700,000 per month. The decline in July of more than 1,000,000 shares from the May total denotes a very pronounced change in the volume of trading.

No Change in Industrial Prospects

The complete reversal of the speculative outlook in two or three short months is generally attributed to the restriction of credit rather than to any important change in industrial prospects with the possible exception of the paper industry where surplus capacity had a reactionary influence. The rise in call loan rates in New York resulted in the transfer of considerable funds previously loaned by corporations and institutions for speculative purposes at Montreal and Toronto. Interest rates in Canada are maintained at a fairly stable level. Consequently rates were higher in Canada in the latter part of 1927 and the early months of the present year than in New York where Federal Reserve policy had reduced rates to a point where they could not be maintained for any considerable time. On the other hand, call rates in New York have frequently been as high during the last two or three months as seven per cent. or even ten per cent.

The trend of money rates in Canada is indicated by the yield on Dominion Government bonds. An index constructed from the yields on the refunding loans indicates a marked increase of five per cent. in the last three months. The official index of the prices of industrial and public service Canadian bonds declined from 113.0 in May to 112.1 in July. A significant fact in this connection is the reduction of $16,400,000 during June in the gold held by the Finance Department against Dominion notes in circulation. The issue of Dominion notes on June 30 was larger than usual for the season and the percentage of gold to the issue of notes was less than at any time for several years.

Will Business be Hurt?

The problem which must be faced at the present time is whether the reactionary developments in speculation and money will have a retarding influence on ordinary business operations. The stock market reaction of the early months of 1926 had little or no detrimental effect on general business, but in the present case the speculative inflation had been carried to a greater length and the volume of bank credit has been more seriously involved. Whether the impetus given by the extraordinary industrial expansion of the last twelve months and the bumper wheat crop now being harvested will offset the adverse financial factors may only be determined by the actual experience of future months.

Building operations are not being curtailed through the restriction of credit according to the latest information. The permits issued in urban centres during July were valued at $25,900,000 compared with $22,600,000 in June. After seasonal adjustment rendered necessary by the fact that June permits are usually much greater than in July, the increase over June was about 26 per cent. The increase in Ontario was marked, indicating that building operations are being continued in good volume throughout the cities of the province. According to press despatches contracts were recently placed for the Canadian National Railways' hotel in Halifax and for a pulp and paper mill in Northern New Brunswick. A few large projects of this character will help to swell the total of contracts awarded during August.

Steel Output Lower

In the primary iron and steel industry, the output of iron was at a high level, nearly as high as in June, but the production of steel showed a considerable drop. Owing to restricted operations at Sydney and the Soo, the output of steel was only 82,807 tons compared with 116,530 tons in June, a decline of 29 per cent. The production of steel had been at a high level from March to June and the let up in operations in July may be of a temporary nature.

The export of boards and planks chosen as the most satisfactory monthly indexes of the saw milling industry, was below normal in July. The output of newsprint was less than in any month since December. The 184,199 tons produced in July compares with 192,391 tons in June and 203,811 tons in May, indicating that steps are being taken to keep production within bounds. In spite of the excess capacity, which, if utilized to the full, would result in the breaking of the price below the profitable level, there is evidence that the leaders in the industry were successful in limiting the output in July. Under present circumstances, the decline in production during June and July is a constructive factor.

Support Canadian Dollar

The heavy export of wheat swelled the merchandise exports during July. The total exports were valued at $127,400,000 in July compared with $80,800,000 in the corresponding month last year, an increase of $46,600,000. It is noteworthy that the export of wheat in July was 32,400,000 bushels valued at $42,300,000, the export in July, 1927, being 6,600,000 bushels valued at nearly $10,000,000. The export of wheat flour showed increases of 74 per cent. in quantity and 62 per cent. in value, the figures in July last being 782,000 barrels worth $4,960,000. After adjustment for seasonal tendencies, imports in July showed an increase of 5 per cent. over June, and the exports, an increase of 13 per cent. The favorable balance of trade in July was about $24,000,000 which was an element in supporting the Canadian dollar in external money centres.

During the early weeks of August, carloadings showed recession but this development is regarded as temporary. The movement of the grain crop will commence several weeks earlier than in either 1927 or 1926. Acording to present prospects the magnitude of the wheat crop will test the facilities of the transportation companies.

This brief review of current information is somewhat inconclusive, but after weighing the evidence there does not appear any reason to doubt that the physical volume of business is at a high level. One would not be surprised to find after comprehensive statistics are available for July that the maximum levels of May and June had not been surpassed, but that industrial operations were proceeding at a satisfactory pace.

Meeting Altered Conditions

Banking operations disclose an effort to meet the altered conditions. The current loan account was reduced in June to the extent of $22,500,000. Concomitant with the reduction in the current loan account was a drop of $28,000,000 in notice deposits. Because of the sharp reaction on the stock exchanges in June one would naturally expect a marked closing out of the call loan account in Canadian centres. The decline in this direction was very slight, but the July return may show considerably greater reduction. A more significant change was the reduction in call loans held elsewhere than in Canada, chiefly in New York. The drop in this account was nearly $23,000,000 and it is noteworthy that nearly every item of the immediate available liquid resources showed a decline. The gold reserve and specie held by the banks increased moderately while the balances with foreign banks, Dominion notes held by the banks and call loans abroad showed important declines. The net result was that the more liquid resources of the banks showed a decline of $53,500,000. Counterbalancing the drop in bank assets there was a reduction in the balance due the Dominion government and the marked decline in savings deposits.

Under ordinary circumstances the considerable reduction in current loans and notice deposits would be regarded as reflecting a reactionary tendency in general business. It is well known that during the last twelve months an undue amount of time and financial resources have been devoted to mining and stock speculation. It is evident that current loans were granted in many cases to further speculative operations and that often cash balances of speculators were held in notice deposit accounts. When these facts are kept in mind, it is easier to explain the recent reduction in current loans and notice deposits in a period when business operations were at a high level, with no apparent cause for a decline in the demand for credit accommodation for commercial and industrial purposes. The object of the banks is to encourage business enterprise by making sufficient credit available for profitable operations and at the same time using caution in withdrawing credit from speculative operations, thus providing as far as possible against forced liquidation.

Canadian Business Indicators

Compiled Weekly by The Financial Post

	Weekly Latest This Year	 Latest Last Year	 Cumulative for Year This Year	 Cumulative for Year Last Year
Car Loadings (Aug. 11)	66,009	63,236	2,067,427	1,942,172
Stock Index	380.3	187.8	......	......
C.P.R. Gross Earnings (Aug. 14)	$ 4,366,000	$ 3,722,000	$ 116,735,000	$ 105,234,000
C.N.R. Gross Earnings (Aug. 14)	$ 5,292,246	$ 4,785,172	$ 157,014,895	$ 144,525,871
Production—		Monthly		
Pig Iron, tons (July)	95,422	50,997	563,435	454,710
Steel tons (July)	82,807	55,250	731,145	542,560
Newsprint, cwt., (June)	192,391	170,379	1,163,366	996,462
Automobiles (June)	28,399	19,208	124,988	126,808
Boots and shoes, pr. (June)	1,543,142	1,475,493	9,223,827	8,847,761
Flour, bbls., (June)	1,359,459	1,314,212	8,874,494	8,105,839
Construction—				
Building Permits (July)	$ 25,896,986	$ 16,369,195	$ 127,503,184	$ 97,211,914
Contracts (July)	38,359,600	50,881,000	294,616,900	242,204,800
Labor—				
Employment Index (July)	116.3	108.4	......	......
Trade—				
Imports (July)	$ 103,403,649	$ 90,598,447	$ 692,148,129	$ 624,466,363
Exports (July)	$ 125,530,791	$ 79,395,041	$ 687,752,760	$ 639,427,458
Imports of Key Products—				
Rubber, lbs. (June)	5,896,765	4,672,405	32,664,375	32,324,760
Cotton, lbs. (June)	8,469,292	10,697,443	66,171,109	65,519,650
Sugar, cwt. (June)	869,718	954,451	4,421,195	....
Petroleum, gal. (June)	17,125,839	14,540,193	247,163,394	....
Coal, tons (June)	1,175,576	1,561,329	9,245,514	....
Exports of Key Products—				
Newsprint, cwt. (July)	3,349,110	2,810,859	....	....
Automobiles, No. (June)	4,431	3,089	20,355	....
Wheat, bush. (July)	32,426,002	6,620,131	145,255,835	111,750,670
Wheat flour, bbls. (July)	782,453	449,200	5,669,688	5,066,870
Electric Power—Output—				
M. Kilowatt hours (June)	1,233,922	1,107,927	7,693,197	6,680,320
Population—				
Emigration (May)	4,498	5,259	23,700	26,775
Immigration (June)	20,303	18,052	93,596	77,467
Finance—				
Failures, No. (June)	130	138	960	890
Failures, Liabilities (June)	$ 2,194,595	$ 2,437,981	$ 14,085,085	$ 14,358,932
Bank Debits (June)	$3,880,843,609	$2,879,703,851	$21,125,932,010	$16,018,185,734
Bond Sales (June)	$ 74,253,686	$ 79,686,404	$ 284,125,346	$ 281,982,268
Insurance Sales (July)	$ 49,492,000	$ 39,962,000	$ 329,989,000	$ 286,838,000
Wholesale Prices (1913-100)—				
General Index (July)	149.6	152.4	......	......
Iron	139.4	143.6	......	......
Cotton, raw	174.7	143.6	......	......
Grains	153.3	181.6	......	......
Cattle	160.1	123.5	......	......
Rubber	37.8	57.7	......	......

Agricultural Survey

Milestone Year for Canada
Two Billions in Crops
Ontario and Quebec Average
Another World's Champion

THERE appears to be no question that the present year will rank as an important milestone in agricultural progress in Canada, with record grain crops, a much wider use of the combine in the harvesting of grain—some Western farmers using three and four of these simultaneously on their properties—and the importation of large numbers of miner-harvesters from overseas, whose progress as farm helpers, and in some cases afterwards as farmers, will be watched with a good deal of interest representing an important present and prospective factor in the garnering of an ever-growing grain crop. The advance guard of these miner harvesters arrived in Quebec on the 17th and 18th, aboard the Duchess of Atholl and the Empress of Australia and most of them are now in their new farm homes working hard but earning "good money."

Forecasts Two Billion Crop

Speaking in Victoria the other day, Dr. J. H. Grisdale, Deputy Minister of Agriculture, said that, "Canada's crop this year will give her farmers a $2,000,000,000 yield and the wave of prosperity and progress that is sweeping the Dominion, will give a tremendous impetus to the country's trade and business generally." There may be some slight exaggeration here, but not much. Time only tends to confirm such a view. The $2,000,000,000 crop mentioned includes, presumably, fruits as well as grain, hay and vegetables. The latter three, listed as "field crops" brought a revenue last year of $1,134,192,600 and there can be very little doubt that that figure will be considerably exceeded this year with such favorable weather for growth and harvesting operations—and with some observers now placing the wheat crop nearer the 600,000,000 bushel than the 500,000,000 bushel mark.

Reports of damage to the grain crops of the West have been so few and trifling this year as to give unusual interest to a report from Winnipeg the other day that 150 farmers of the Sperling district in Southern Alberta have reported aggregate losses of $1,500,000 from floods, for which they were appealing to the Provincial Government for drainage relief. In fact all grains are reported maturing rapidly with a continued gratifying absence of damage.

In British Columbia recent rains have improved the root crops. Tomatoes are estimated to yield 115 per cent. of the recent average and potatoes 110 per cent. while apples are also placed at 115 per cent.; peaches at 110 per cent.; pears 80 per cent.; plums and prunes 90 per cent. and hops 75 per cent. Abundant pasturage is proving a boon to the cattle, sheep and dairy industry.

30 Bushels in Ontario

In Ontario considerable threshing has been done with wheat yields averaging around 30 bushels to the acre. The oats and barley crop are reported above the average with corn doing quite well. Root crops are easily up to the average; tobacco is of better quality this year than last and pastures are excellent. The apple crop is expected to be about the same as last year.

Quebec promises large crops of oats and barley and an average corn crop. The hay production bids fair to establish a record this year. Vegetables and small fruits are reported plentiful; the apple yield will be an average one and the tobacco output above last year's showing.

The Maritime Provinces' potato crop now looks like an average one, at least, despite the prolonged wet weather period which made cultivation and spraying difficult. The apple crop may be a bit below the five year average in quantity, but it is expected to be better than usual as regards quality. In connection with progress in the Maritimes, some interesting facts were brought out the other day at Charlottetown by S. A. MacDonald, president of the Associated Boards of Trade of Prince Edward Island, showing the "Garden of the Gulf" to be enjoying marked prosperity, with its per capita wealth of $350, as compared with New Brunswick's $150 and Nova Scotia's $135. Increased prosperity was noted, within the province, in regard to the potato crop, dairy products, fox farming, fishing and livestock.

Canadian Prize Animals

As a cattle-raising and dairying country Canada is coming steadily forward. A few days ago it was announced from Huntingdon, P.Q.—home of the Canadian Ayrshire Breeders' Association — that the Montreal owned cow, Nellie Osborne of Elmsdale 16, which grazes on the best pastures at Howick, Que., has become once more (as in 1924) the world's champion Ayrshire, both in milk production and in butter fat production, her yearly output being 27,197 pounds of milk and 1,257 pounds of butter fat. Nellie is nine years old and weighs 1,200 pounds. The Dominion is also contributing to the improvement of stock abroad. One of the latest exports in this connection was the sale by the Canadian Pacific Railway, from its supply farm at Strathmore, Alberta, to the Carnation Milk Farms at Seattle of the prize-winning Holstein heifer, Strathmore Veeman Fairchild—161,846—winner of the grand champion female award at the Edmonton, Saskatoon, Regina and Vancouver exhibitions. At the same time the Consolidated Mining and Smelting Co. continues to show, by its large herds of quality Ayrshires at Trail and Kimberley, B.C., what the far west can do in the raising of prize animals.

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Have You Read "The Truth About the War" in the July 1st issue of MACLEAN'S MAGAZINE?

THIS article, by Major George A. Drew, has created a sensation from coast to coast. Scores of letters from all parts of the Dominion have come to MacLean's Magazine, commending its action in setting forth in incontrovertible fashion the true facts regarding the Canadian, British and Allied troops in the war. It was something that was crying to be done to counter the slanderous statements and harmful misinformation appearing recently in certain United States magazines which circulate in Canada. Now it has been done, and done exceedingly well—an article every Canadian should read.

If you missed it in the magazine . . . read it in pamphlet form FREE

RESPONDING to requests received from a great number of readers, MacLean's is reprinting in pocket-size pamphlet form Major George A. Drew's article, "The Truth About the War," which appeared in the July 1 issue of Canada's National Magazine. One hundred thousand copies of the pamphlet are ready for distribution. Readers of The Financial Post desiring from one to three copies may secure them free of charge by enclosing with their address two cents in stamps to cover postage.

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Pulp & Paper

I. P. CO.-ABITIBI AMALGAMATION LONG WAY OFF

Would Take Years to Consummate Rumored Merger

STOCK OUT OF LINE

Probably Has Been Talk Between Interests Involved — Merger Only a Possibility

From Our Own Correspondent

MONTREAL.—The merger of the International Paper Company with the Abitibi Power and Paper Company at the moment appears to be about as near consummation as was the Spanish-Abitibi merger when the possibilities of such an amalgamation were first noted; it took many years before Abitibi and Spanish were finally brought together. Should International and Abitibi merge eventually, the time required to bring about the amalgamation would depend on many involved factors tending to delay such a merger.

Hence, it seems fairly certain that all the gossip indicating a merger of the two largest paper producers in the world has little bearing at the moment on the investment outlook for the shares of both companies.

Like all other wide-awake managements, those controlling destinies of both Abitibi and International Paper are continually casting about for constructive ideas or developments which would benefit the shareholders. No doubt those who are the largest financial backers of both companies have discussed the merits, demerits and possibilities of such amalgamation. But if it took six or seven years to work out the Abitibi-Spanish merger, it may take as long or longer to work out an International-Abitibi merger in which the matters to be straightened out are of a far more involved character than in the merger between Abitibi and Spanish.

Woud Avoid Criticism

At the moment, Abitibi stock is selling at a figure and on a yield basis which certainly indicates no immediate possibility of such a merger. Even if earnings be such as to warrant a reduction in Abitibi dividends, the shares would still be selling out of line with International. Before such a merger were consummated, an exchange of stock would have to be arranged on a basis, not only of earning power, but on the basis of the market price of the shares of the two companies. In other words, the management of both companies naturally would wish to avoid the criticism voiced by some of the preferred shareholders of Spanish River when the Abitibi-Spanish deal was pending—despite the fact that the market has now adjusted the position of the old Spanish River preferred shareholders and in the Spanish-Abitibi deal they have fared satisfactorily.

Other Factors Involved

Another factor involved in such merger possibilities is the situation now existing both in the newsprint and the fine paper markets of United States. With market conditions as they are, and as they are likely to remain for some time, the financing of such a merger could hardly be accomplished on the most economical basis. If no financing were required, the merger could only produce a few minor economies in operating costs. It is to be doubted whether such economies would be worthwhile as both International and Abitibi are now of a size which should enable them to operate on the lowest cost basis possible.

Rolland Paper Company Extension Progressing

From Our Own Correspondent

MONTREAL.—Earnings of the Rolland Paper Company during the current year will run to over $1.50 a share. Good progress is being made in the installation of the company's new paper machine which will operate on January 1. Rolland Paper has enough business in sight to ensure the new machine's operations at capacity.

Sales of the company this year to date show a handsome increase over a year ago. It is said that the increase amounts to nearly ten per cent. The company occupies a strong cash position and carries no bank loans on its books.

Provided business conditions remain stable, with its larger capacity the company next year gives indications of earnings about $3.60 a share on its common stock. This figure compares interestingly with the stock purchase warrants held by the preferred shareholders who have the right to purchase three common shares for every ten preferred at $32 per share after June 1, 1929.

After June 1, 1920, the stock may be purchased at higher figures depending on the date the purchase is made. The common stock purchase warrants expire on June 1, 1934, when the price to the preferred shareholders will be $40.

International Paper Extends Exchange Date

From Our Own Correspondent

MONTREAL.—While well over a majority of both the seven per cent. preferred and common shares of the International Paper Company have been deposited to be exchanged into the shares of the new International Paper & Power Company, the last date for making the deposit of International stock has been extended to September 30, as many of the 26,000 shareholders of the company have been away on vacations and have not been able to deposit their shares. The formation of the new company has been undertaken to allow a more complete segregation of the company's power assets—which total some 55 per cent. of its holdings from its pulp and paper assets and to facilitate the operation and financing of these properties.

Price Bros. Get Wood

MONTREAL.—Price Brothers Company has secured the timber cutting privileges in the upper basin of the Rivière aux Rats, in the Lake St. John district, which were auctioned at the Parliament Buildings in Quebec. The limits cover an area of 60 square miles and the Price Company was the only one to make a bid, amounting to $3.20 per thousand feet for green timber and $2.10 for burnt timber per thousand feet.

MONTREAL.—Within a few days the Great Lakes Paper plant at Fort William will commence turning out paper. The new paper mill has been installed and some of the machinery has gone into operation.

Price Bros. Profits But Slightly Lower

From Our Own Correspondent

MONTREAL.—Despite the hesitancy in the demand for newsprint paper, and despite the apparent hash made by the Canadian Newsprint Company in handling the sales among others of Price Brothers, the earnings of the big Saguenay newsprint producer during the first five months of its current fiscal year are understood to be but fractionally below the level of former years. Price Brothers concluded five months of the current year's operations at end of July. The results that have been achieved clearly indicate that the decline in the stock is due solely to the speculative outlook for the newsprint industry as a whole.

FRASER PLANTS OUTPUT GROWING WITH EXPANSION

Yet Another New Mill is Planned at Athol, N.B.

From Our Own Correspondent

MONTREAL.—The Fraser Companies' four high grade paper machines in the Madawaska, Maine, mill are operating at capacity. The new board machine at the Edmunston mill is also operating at capacity. These machines came into operation recently. A catalogue paper machine is expected to be in operation by October and the new paperboard machine at the Madawaska mill—the largest machine in the world—will also be in operation.

There has been some improvement this year in the lumber situation. As the Frazer Companies together with its subsidiary the Restigouche Company, is the largest lumber producer in the Eastern Canada, the betterment in the situation surrounding this department of the company's activities should be reflected in its earnings.

To finance its expansion program the Fraser Companies some months ago carried out re-financing. Since that time, further expansion plans have come into being; plans are rapidly reaching maturity for the erection of a new bleached sulphite pulp mill at Athol, N. B., near Campbellton. The output of a new mill will go in part to the Madawaska plant and in part to the Rolland Paper Company in which the Fraser Companies owns a substantial block of the common shares.

To Reorganize Dryden When Market Better?

One of the reasons, according to Financial Service, why the Dryden Paper Company has not yet been taken out of the hands of the receivers is because there are taxation advantages as long as the company is in receivership, and the management is taking advantage of this situation.

Probably, though, another reason why the Dryden Paper languishes still in the hands of the receiver lies in the prevailing market conditions which preclude a reorganization on a basis satisfactory to the company and its shareholders. It is thought the management early in the year formulated some plans leading to lifting the receivership, but that the big market recession interfered with these plans. Probably, Dryden will be taken out of the hands of the receiver as soon as market conditions improve for operating profits of the company are understood to be substantial.

PROFITS IN 1928 FROM NEWSPRINT NOT MUCH LOWER

But Outlook for the Future Still Contains Many Gloomy Elements

From Our Own Correspondent

MONTREAL.—The shares of the newsprint companies are apparently selling a little below a figure commensurate with their current earnings—but this does not mean that the newsprint shares are selling out of line with the speculative element which surrounds the future of the industry.

The decline in the earnings of the newsprint companies during the current calendar year has been in no way proportional to the drastic market recession which took place in the newsprint stocks. The decline in the stocks is due, first, to the tight money situation and second to a better public realization of the situation facing the industry.

Latest reports from some of the leading companies indicate that profits this year are only fractionally below those of a year ago. The total revenues from sales, of course, show declines, but in several instances these have been very largely offset by corresponding reductions in operating costs. Hence, the net of many of the newsprint companies for the year to date is only a little below the 1927 figures.

Other Side of Picture

The reason for the stagnation in newsprint stocks therefore must lie largely in the better realization existing on the outlook for the future industry on the whole.

Newsprint men feel that further price cuts in newsprint paper are not likely. But the expansion in the industry hardly seems to be coming to an end, though, it is not proceeding anything like as rapidly as in past years. Furthermore, the timber resources of Eastern Canada will not permit much further expansion. The output in the States is declining. And the capacity of the mills on this continent is about 25 per cent. in excess of the demand.

The Big "But"

But—and herein lies the reason for the recession in the newsprint stocks—there appears to be no possibility whatsoever of any increase in newsprint prices and, therefore, there undoubtedly must exist the possibility of further declines for newsprint men everywhere feel that it may be three or four years before the consumption of newsprint once again catches up to the productive capacity of the mills on this continent. It is to be admitted, though, that the industry might adjust itself to conditions which prevail in every other industry, namely, that capacity production is decidedly an exception rather than the rule, but with the newsprint industry, operating costs decline much more rapidly as the output moves toward capacity than in most other industries. Hence the drive of the operators toward increased sales which naturally tends toward lower prices.

International Paper Starts New N. B. Paper Project

From Our Own Correspondent

MONTREAL.—The International Paper Company has awarded the contract for the construction of its new 500 ton paper mill at Dalhousie, N.B. The contract has gone to the Domill Construction Company of Canada with head offices in Montreal. K. O. Guthrie of Montreal, is president of the construction company of which J. R. Nichols is superintendent. Work is expected to commence before the end of this month.

The New Brunswick project will cost around some $15,000,000 and will include the newsprint, the groundwood and the sulphite mills and the power plant.

The construction work alone will be completed in about twelve months, but the entire project will not be finished until the spring of 1930. Over 1,000 men will be employed on construction work. Several new features will be introduced into the mill. While the plans call for a 500 ton mill, provision will be made so that in the event of future expansion, two more machines can be installed which will bring the total capacity up to 750 tons. The construction program for the current year will consist in laying the concrete foundations.

PULP EXPORTS SHOW PRICES ARE LOWER

Save in Kraft Paper, Pulp and Paper Situation is Unsatisfactory

From Our Own Correspondent

MONTREAL.—The pulp and paper export figures of Canada covering the month of July reveal continued increases in the amount of bleached sulphite pulp exported. Bleached sulphite exports are up materially in volume and in value from June and from July of last year. Unbleached exports are lower than in June and marginally higher than in June of a year ago.

Due to the unsatisfactory markets prevailing for sulphite pulp, the Canadian mills by the further manufacture of the product are endeavoring to offset declining earnings in the production of unbleached sulphite.

Exports of kraft pulp during July have increased from June last and are marginally up from July of a year ago. But in value, exports of kraft show a marginal decline in the export figures of the month. Hence, the kraft producers are now obtaining a lower figure for their output of pulp—a development indicated some time ago when The Financial Post first announced a cut in the price of sulphate in the United States.

Situation in Groundwood Market

From the export figures, it can be seen that the situation in the mechanical pulp industry still remains unsatisfactory. Exports during July remain unchanged in amount, but the dollar value of the exports shows a material decline. The groundwood pulp market has been most unsatisfactory for years, and apparently prices are still declining.

Pulpwood exports during the month declined materially from a year ago, due in part to the poor demand for paper in the United States, and due in part to the fact that the Canadian mills are purchasing more of their pulpwood requirements from settlers.

Exports of fine paper during the past two months have been materially lower than during the corresponding period a year ago, nevertheless, judging from the dollar value of the exports, better prices are prevailing in overseas markets where the Canadian fine paper producers sell their surplus. Exports of kraft paper, though, show an increase in volume and perhaps a more than proportionate increase in their dollar value. Hence, the factors surrounding the production of kraft paper are apparently not as unsatisfactory as those surrounding the remainder of the industry.

B.C. Pulp and Paper is Having Fair Year

From Our Own Correspondent

MONTREAL.—Despite the decline in the market for sulphite pulp, the earnings of the B.C. Pulp and Paper Mills for the year to date are running almost at last year's level. The company occupies a good liquid position and has no bank loans. During the year it has increased the holdings of marketable securities carried in its investment account.

The management is considering developing a water power site located near the Port Alice plant. Such a development should tend to reduce operating costs.

Liquid Position of Donnacona Strengthening

From Our Own Correspondent

MONTREAL.—The liquid position of the Donnacona Paper Company has shown a marked improvement since the beginning of the year when the parent company acquired the predecessor organization. Earnings are running at a satisfactory rate understood to be well in excess of all interest and heavy depreciation charges. The plant will be operating in capacity at least until the end of 1928, despite the hesitancy of the newsprint market. Donaconna is able to maintain a satisfactory scale of operations at its mill as the company still holds contracts entered into by the the predecessor organization. These contracts will not expire until the end of the current year. Some will expire at a later date. The property is being operated under the management of Price Brothers which controls the common stock.

Through the association of Donaconna with its parent company some operating economies have been put into effect. Little betterment in the prevailing quotations on the stock can be anticipated.

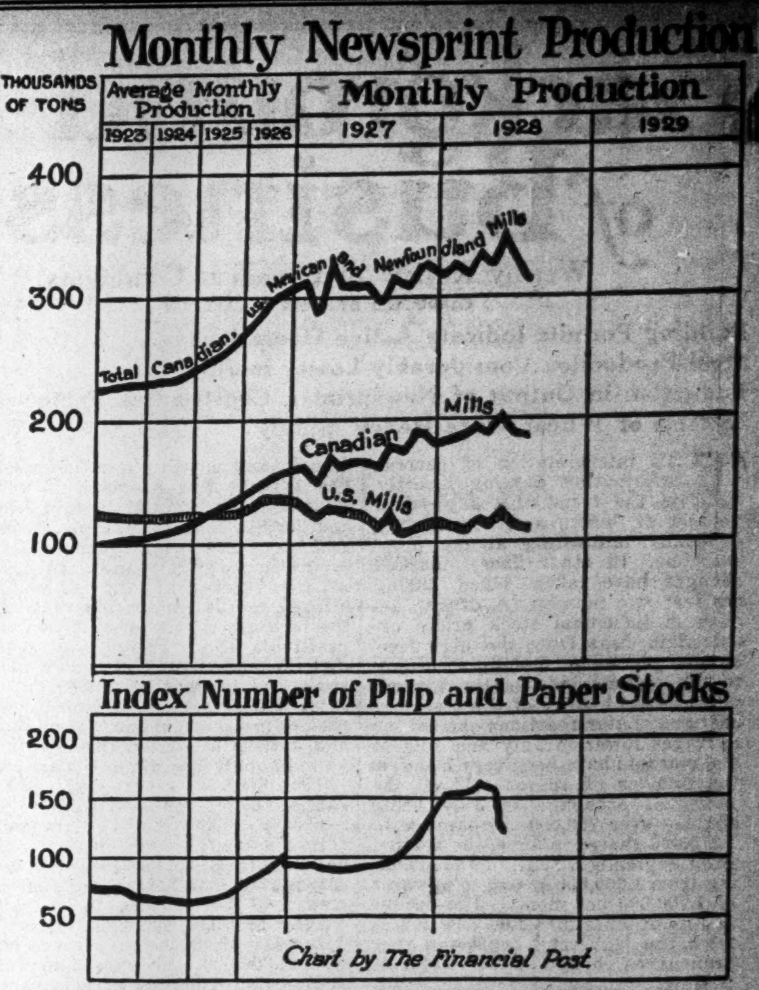

Chart by The Financial Post

The chart reveals the steadily increasing production of newsprint on this continent. While the U. S. production shows signs of declining, yet the actual curtailment has not been sufficient to offset more than fractionally the over-expansion of the industry. The mills of Newfoundland and Mexico are now producing 20,500 tons monthly as compared with 184,200 tons in Canada and 110,313 in the U. S. in July. The lower graph shows that the price of pulp and paper stocks declined from 160 in April to 127 at the close of June. The July index figure will reveal a further drop. The recession would have been even greater but for the fact that fine paper shares are included in the index figure. The capacities of the North American newsprint mills are still about 25 per cent. in excess of the demand for newsprint which this year has once again resumed its normal increase of about 6 to 7 per cent. yearly.

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PRICE BROTHERS & COMPANY LIMITED

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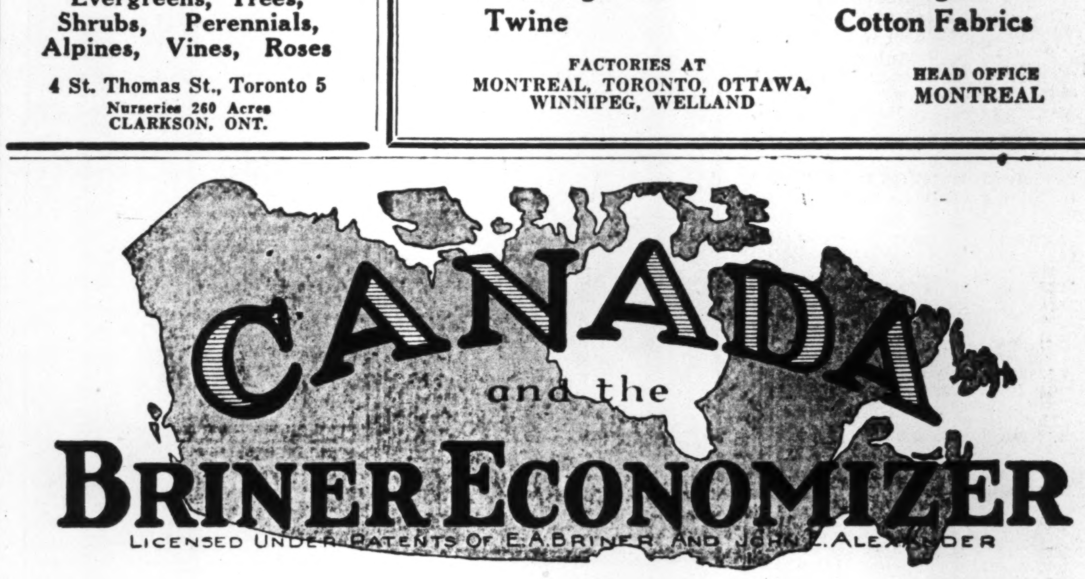
Fort William, Ont.
Pine Falls, Manitoba
Daily Capacity 2200 Tons Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp



CANADA and the BRINER ECONOMIZER
LICENSED UNDER PATENTS OF E. A. BRINER AND JOHN L. ALEXANDER

How The Dominion's Greatest Industry Wages a War on Waste!

We have installed Briner Economizers in practically every new paper mill built in Canada since 1924. This fact is generally known! But this should be remembered — that the problem of costly waste of heat units in vapor from machines, and the benefits to be derived from utilizing this waste, are not exclusively confined to new mills. This waste is fully as disastrous and the need for savings even greater in the old mills.

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Consult our engineers for information regarding the savings that can be secured in your mill. No obligation.

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CANADA CEMENT COMPANY BUILDING
MONTREAL, P.Q.
Mills at PORT ALFRED, P.Q.

FRASER COMPANIES LIMITED
EDMUNDSTON, N.B.
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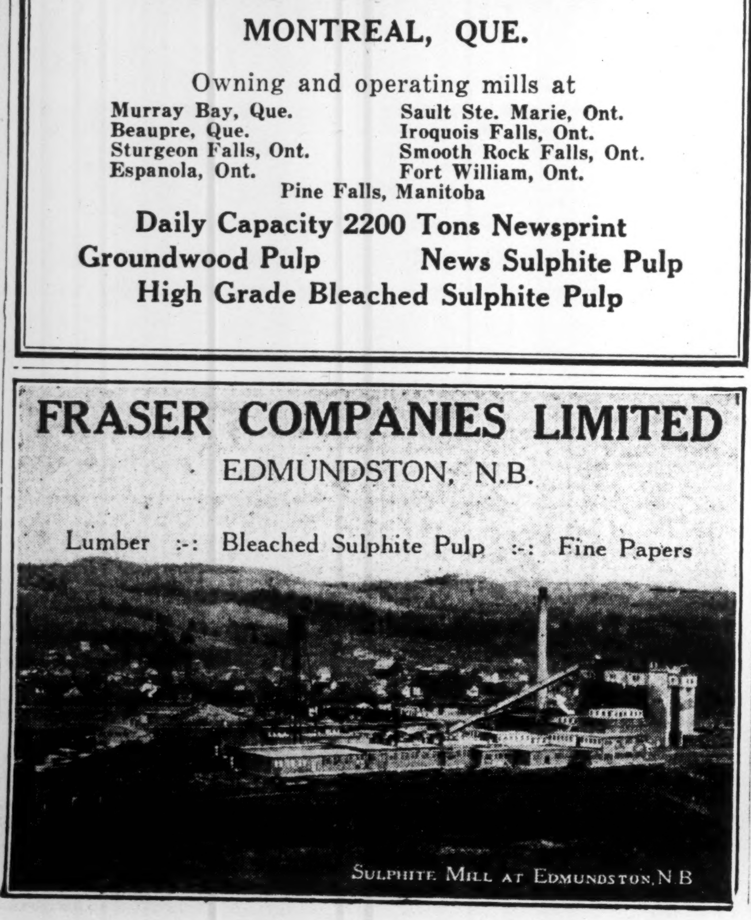
SULPHITE MILL AT EDMUNDSTON, N.B.

The
Canada Power & Paper
Corporation
Total Daily Capacity of Plants: 1250 Tons of Newsprint.

Also producing fine and kraft papers, paperboard, paper boxes, paper bags, paper specialties, and sulphite, kraft and groundwood pulps.

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Laurentide Company Limited
St. Maurice Paper Company Limited
Canada Paper Company

Head Office:
MONTREAL-QUEBEC

Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining and insurance inquiries on sheets separate from other investment inquiries.

Distillers Seagram's

Would you kindly tell what is the outlook for Distillers Corp.-Seagrams? Why is the stock so low and in your opinion are my 200 shares worth holding?

We consider Distillers Corporation-Seagram's Limited, as a beverage stock which probably must be held for a long time before anything can be expected in the way of yield, or appreciation in market value.

Power Corporation

I bought Power Corporation some weeks ago on a tip, and I now have a few points loss. Should I sell the stock, or do you think I would be wise to hold on?

Although you have a few points loss on your Power Corporation stock, we believe that if you retain it for a year or two you stand every chance of obtaining a handsome appreciation. Therefore we recommend that you hold this stock.

Debenture Co. of Canada

I would like to get some information on the Debenture Company of Canada Limited, head office Regina, Sask.

The Debenture Company of Canada has a good record for steady and increasing earnings during the last decade. It has built up good reserves; and assets appear to be well written down. The shares should be a good investment, judging from past performances of this company.

Inter Proprietaries

Please give me some information regarding the class "A" shares of Eno's Fruit Salt Co. What dividends does it pay and what is the outlook? Do you think it a safe investment and will it appreciate in value?

International Proprietaries is the company which owns Eno's Fruit Salts. The Class A stock is preferred as to dividends up to $2.40 per year. Our information received today is that the company in the first six months of the current year earned a full year's dividend on the Class A stock. However, in view of the market condition no immediate appreciation in the value of the Class A stock may be expected, but the outlook over a term of a year or more is reasonably good, in our opinion.

Ontario Bakeries

Would you be good enough to let us have any information that you may have on hand regarding the Ontario Bakeries? We understand that this company was promoted by the Municipal Bankers Corporation. We are particularly interested in their 6 per cent. bond issue.

Could you tell us if there is any market for these bonds and if so at what price they are selling? Do you consider these bonds as a good investment? If you have any of their financial statements we would be pleased to have a copy of the latest one.

In your Survey of Corporate Securities you show $500,000 issued from a total bond issue of $2,500,000. Is this all there is outstanding at the present time? Also we note that there is a sinking fund of 2 per cent. Could you tell us whether this is being operated at the present time?

Ontario Bakeries Limited, since late in 1927 has been under the control of F. K. Morrow, the financial head of Northern Bakeries, Christie-Brown and Hiram Walker's. There is an entirely new management, and we believe earnings are sufficient to cover bond interest. The sinking fund does not become operative until after the fifth year. The bonds were issued in 1926. No additional issue has been made, so that the total of outstanding bonds is $500,000.

We have not seen a quotation.

Asbestos Corporation

I have been urged to buy some of the common shares of the Asbestos Corporation as it is supposed to be going up. Is it a good speculation at present prices?

Asbestos Corporation common we do not feel is a particularly attractive issue at the present time. In our estimation it will be some time before the corporation works itself into a position which would permit further market appreciation in the common shares.

Industrial Alcohol

I have bought Canadian Industrial Alcohol shares with the idea of making a profit in the next three months. What is the outlook for the shares?

In our estimation, Canadian Industrial Alcohol shares are an attractive long hold for a business man. We do not anticipate any general market appreciation before the beginning of the new year, hence we feel that you stand little chance of making an appreciation on the shares by December. Nevertheless as a year's hold, the shares look attractive to us provided you regard them in their proper light, namely, as a business man's semi-speculative stock.

Bathurst Power

I was told to buy Bathurst Power. I did so hoping to make a profit before the end of the year. Now what should I do? Hold or sell the stock? Your views on the position of the shares would help me greatly as I have cause to thank you for your advice in the past.

Bathurst Power & Paper shares can only be regarded as a long hold for a business man. We feel that there is little chance of any appreciation in the shares for some time. Therefore, in deciding whether you should hang on to or sell this stock you must remember that there exists the possibility of further declines due to the unsatisfactory situation prevailing in the newsprint industry—a situation which may continue for three or four years more. The company is to expand, which in a measure might offset the possibility of lower profits.

Carlings

Please give me your opinion of Carlings and Durant of Canada, I have 90 shares of Durant at 4½.

Carling's Breweries is not involved with the government in any way, we understand. Earnings might fall off seriously, however, if at any time exports from the Windsor border were prevented either by the Ontario or the United States Governments. Such a contingency may be remote, but the possibility probably accounts for the fact that the public does not view favorably the beverage stocks at this time.

Durant of Canada is a company which is doing very well, we understand. The outlook for the stock is reasonably good, especially since it is listed on the Toronto Stock Exchange. Yet, if we held 90 shares we would be inclined to sell, say, 40 shares, at the market. This would reduce the cost of the balance to a very small sum so that any unfavorable action of the stock in future would not affect your holdings seriously.

Beacon Oil

Is Beacon Oil a good investment? Is the company sound?

In our opinion Beacon Oil is an extremely long hold. As far as we know it is a sound company.

Canada Malting

Having $10,000 to invest, the following stocks have been recommended to me for capital appreciation within a reasonable time:—

Canada Malting	34
B.A. Oil	37½
International Petroleum	38½
Asbestos Corporation	30
Industrial Alcohol	41¼
Ditto, B shares	38
Distillers Seagram	16
Cockshutt Plow Co., Ltd.	23½
Massey-Harris Co.	40

Distillers Corporation-Seagram's Limited, in our opinion, is a long hold.

The general average level of the other stocks you mention should appreciate within a reasonable time if conditions of the markets are favorable. They are not the most conservative common stocks, however, and we think you would be wise to include such standard securities as Montreal Power, Shawinigan, Quebec Power and City Dairy. Winnipeg Electric common rapidly is getting into the highest common stock class.

Can. Hydro-Electric

What is your opinion of Hydro-Electric at the present time? It seems that at present prices the stock should be attractive. Do you confirm this view?

You ask for our views on Hydro Electric as a purchase at its present price. We take it that you mean Hydro-Electric Securities, the Lowenstein company.

Little information touching the assets of this company is forthcoming. It can only be regarded as a speculation for a business man which, in view of the whole Lowenstein débâcle cannot be regarded as particularly interesting at the present time. I think you might be just as well advised to place your funds in some other speculation which looks more attractive at the moment.

Losses On All

Please give me your opinion of:
Building Products at 42.
Cockshutt Plow at 30.
International Pete at 41.
Cosmos Imperial at 23½.
Hudson Bay at 19.
You see, I have losses on all. What would you recommend?

Building Products we consider to be an attractive stock.

International Petroleum is one of the important producers of crude oil. Its operations are carried on at low cost, and we think that over a term of years the investment will be highly satisfactory.

Cosmos Imperial Mills is reported to be earning at a much better rate this year than last, and in the circumstances it does not seem necessary to sell at a loss.

Cockshutt Plow has just gone through a reorganization of its capital structure and the directors intend shortly, we understand, to declare a dividend of $1.30 per share per year payable quarterly. The company is said to be doing a good volume of business with excellent prospects both in the domestic and export markets.

Hudson Bay Mining and Smelting is one of the most attractive mining developments.

There is hardly an investor who bought stocks in recent months who does not show a loss on the majority of his holdings at the present time. The question as to whether or not he should hold on to good stocks depends on whether he owns outright, or the condition of his margin account. We do not think that any person who is carrying stocks on a fifty per cent. margin or better has anything to worry about at the present time, although it may be some months before the average level of stocks advances materially.

Royal Bank

I want to purchase some bank shares to balance my more speculative holdings. Would you advise the shares of Royal Bank at present prices? Is there any possibility of higher dividends and stock rights in the near future?

The purchase of shares of the Royal Bank of Canada at present prices we believe would make a satisfactory investment for you. Over a term of years, there is the possibility of an increased dividend and apparently almost the certainty of further share allotments. With the continuance of the present trend toward lower yields, ultimately Royal Bank may sell up again.

The Royal Bank is the largest banking institution in Canada and we favor the purchase of its shares as the management has shown itself to be aggressive and has brought the bank from a minor position in the banking world to be the largest institution of its kind in the country.

Milling and Alcohol

I wonder if you would be good enough to tell me your opinion of the respective merits of Canadian Industrial Alcohol and Lake of the Woods Milling. I am looking for a long hold investment and am very interested in the respective possibilities of these two stocks.

All in all, the outlook for the Canadian Industrial Alcohol shares perhaps seems to be a little better than the outlook for the Lake of the Woods milling. Obviously, that is the reason why you obtain a higher yield on Lake of the Woods. Lake of the Woods is improving its position but for real profits the Canadian milling industry depends on overseas markets. Of late years these have been poor. There seems to be nothing to indicate any revival in the demand for Canadian flour in foreign markets. Hence, we feel that while Lake of the Woods is an ably managed company and would make a satisfactory investment, if you are looking for appreciation you stand a better chance of obtaining it from Canadian Industrial Alcohol.

Do not forget, though, that Canadian Industrial Alcohol shares must be regarded as a business man's speculation due to the liquor situation which exists on this continent. Canadian Industrial Alcohol is well managed. If included in a diversified list of similar semi-speculative stocks it appears to have excellent possibilities.

Zimmerknit

I hold 100 shares of Zimmerknit, bought at 25. When it was 30, my broker advised me not to sell. There seems to be a discrepancy in earnings as shown in the report and the scale as announced when the company was refinanced.

Would advise switching to Toronto Brewing & Malting?

It is somewhat difficult to compare earnings of Zimmerknit, Limited with the estimates published at the time of the last stock issue for the reason that a full year's earnings of the three constituent companies could not accurately be shown on the balance sheet recently published. It is feared that one would have to wait until there had been a full year's operation of the combined companies to determine whether or not the merger was going to work out satisfactorily. Our information is that the merger is doing as well as was anticipated and announced.

We think that your informant acted in good faith when he advised you not to sell your stock at 30. He probably did not foresee a market situation which would result in a recession in market values generally. The average of 181 stocks is something like 17 points down so that the recession in the market value of Zimmerknit does not seem disproportionate.

Zimmerknit common should have been regarded from the first as a stock to hold for a considerable length of time, although you and others had an opportunity to get out at a profit a few months ago. There were comparatively few holders of stocks who got out of the market at the right time and there seems nothing to do now but wait until conditions are more favorable before disposing of the speculative holdings.

We cannot say if a switch to Toronto Brewing and Malting would be profitable. Our information concerning that company is that earnings are growing. On the other hand, the beverage stocks as a class have not been satisfactory speculative holdings in the last several months, and it is difficult to determine whether or not there will be any substantial appreciation in the immediate future. Inherently a textile stock is somewhat more attractive than a beverage stock.

Smelters at 38

I seek your frank opinion and criticism of the following securities held by me:

25 Smelters at 38.
77 Loblaws at 40.
25 Nickel at 38.
25 Ottawa Traction at 67.
10 Fanny Farmer (bonus).
55 Noranda at 20.
460 Traymore at 10.
25 Orange Crush B pfd at 44.
50 Donnacona at 35.
30 B. C. Pulp pfd at 73.
115 Thayers at 15.
100 Teck-Hughes at 10.90.
16 Firstbrook Boxes pfd at 100.

I hold no real estate or bonds but carry $10,000 in insurance.

My policy has been to buy low-priced common stocks with market appreciation rather than yield in view. I am 24 years old and unmarried.

Your list of stocks includes some very good ones and some that are not so good. The paper stocks perhaps should be avoided for a year or more because of the conditions in the pulp and paper industry. You have a handsome profit on Noranda and possibly further profit is in store for you if you are willing to be patient.

We observe a tendency to purchase new issues. This was highly profitable a year ago, but in view of the condition in the stock market it is questionable if it is the proper policy to pursue in the immediate future.

We think that your investment list would be improved materially by the purchase of a sound investment stock such as Montreal Light, Heat and Power, Shawinigan Water and Power, City Dairy common, Bell Telephone and Winnipeg Electric.

In view of the fact that you do not require immediate income from your investments we think that you are extremely well advised to purchase with a view to market appreciation rather than yield. Substantial market appreciation, in our opinion, usually comes from purchase of the soundest common stocks rather than in selecting stocks of the smaller companies.

Brazilian, etc.

I have had under consideration investment in some common stocks that I thought might appreciate in value within the next few years. Interest return is not essential at the present time but security of principal is.

I was wondering if you would let me have your opinion on the prospects of the following companies:

Brazilian Traction; Montreal Light, Heat and Power; Shawinigan Water and Power; Imperial Oil; Northern Mexico Power and Development common; Southeastern Power and Light; Abitibi common; Zimmerknit, common; Massey-Harris common; Cockshutt, common; Consumers' Gas; British America Oil.

If you are looking for appreciation in the value of stocks, we agree with you that you should forego income beyond a very moderate sum. It is extremely difficult at this time to select stocks which combine safety, yield and probability of appreciation in value. Yet there are many stocks which, in our opinion, are inherently sound and which over a term of years should appreciate substantially in market value.

You have selected several of these. Brazilian, Montreal Light, Shawinigan, Imperial Oil, Consumers' Gas and British American Oil are among the soundest stocks.

For a long hold the common stock of Abitibi Power and Paper Company probably will show appreciation. Yet, the immediate outlook may be uncertain for the reason that the newsprint industry yet has serious problems to solve, and it may be from two to five years before there can again be substantial advances in earnings of the principal paper companies. It is worth noting that the common stock of Abitibi has been deflated to a very considerable extent in the last few weeks, but we do not know of any person who is in a position to say that the deflation process has been completed.

Northern Mexico Power and Development Company is a strong company with increasing earnings. It is not, however, one of the largest companies, and in view of the fact that its operations are in Mexico it cannot be said to be so conservative an investment as say either Montreal Light or Brazilian Traction.

The most speculative of the common stocks you list probably is Zimmerknit. This company is not the largest in the textile industry, although, we believe that satisfactory progress is being made.

The long term outlook for Massey-Harris common is satisfactory. The stock has been moving in a somewhat narrow range and if, as is forecast, the earnings for the current year are considerably in excess of previous earnings, there may be a fairly substantial upward trend noticeable toward fall. The common stock of Cockshutt Plow Company is in a similar class with Massey-Harris at this stage, although, Cockshutt Plow is not so large a company nor has it the marketing facilities or the diversification of product.

We regret that we are not in a position to express opinions concerning United States stocks. Southeastern Power and Light is reputed to be one of the utilities in an improving position.

When Women Invest

Widow Finds Bulk of Inheritance in Bank Stocks; Means Suggested to Give Her $3,000 Income With Minimum of Risk; Another of Her Sex Loath to Part With Victories

A WEEKLY FEATURE

Through the death of her husband a friend of mine inherits an estate approximating $60,000, consisting of Canadian bank stocks and a relatively small amount, (about 20 shares), of C.P.R. As she, like myself, is of opinion that the investment should be diversified, I am asking your advice how this can best be done. The desiderata are: (1) safety of principal, and (2) minimum of trouble in collecting income.

We agree with you that a widow should not have the bulk of her capital invested in bank stocks, and accordingly we have drawn up a list which we believe would meet the needs of her case if she does not require more than $3,000 a year for living expenses. We have divided the list into four classes, the first class being bank stocks, Canadian Pacific Railway and two of the soundest utility stocks. The second, which like the first would take about two-fifths of her capital, includes bonds—government, utility, foreign and industrial. We have suggested the Victory Loan '46, but any of the provincial issues or even a municipal issue might be substituted without undue risk.

The third class consists of four preferred stocks in sound companies, and is included for the purpose of increasing the average yield of the total investment. The fourth class consists of investment common stocks. The current yield on these stocks is extremely low, but we believe that every investment list should include some of these stocks for the reason that in these years of declining interest rates there will be gradual decline in the interest on bonds and redeemable preferred stocks. On the other hand there should be a gradual increase in the income derived from common stocks so that an investment list of both classes would maintain a fair average yield.

10 Per Cent. in Bank Stocks

Following are the four stocks in the first group:

	Cost	Approx. Yield %	Income
Bank Stocks	$6,000	4.5	240
20 C. P. R.	4,140	4.9	200
25 Consumers' Gas	5,000	5	250
25 Bell Telephone	4,025	4.9	200
	$19,165	4.64	890

You will observe that the average yield from these securities is 4.64 per cent.

$5,000 in Government Bonds

Following is a list of the bonds we would suggest for your friend's holdings:

	Cost	Approx. Yield %	Income
Victory Loan '46	$5,140	4.45	225
Montreal Trams '41	5,050	4.9	250
Abitibi	4,550	5.7	250
French Line Ext.	3,050	6	210
Argentine '58	2,090	6.02	180
	$19,880	5.6	1,115

You will observe that the average yield in this case is 5.6 per cent.

The third list is as follows:

Shares	Cost	Approx. Yield %	Income
25 Can. Canners 1st pfd.	$2,356	6.5	150
25 Can. Bread "A"	3,000	5.8	175
25 Power Corp., pfd.	2,520	5.9	150
20 Dom. Textile	2,040	5.6	140
	$9,916	6.2	615

You will observe in this case that the average yield is better than six per cent.

Five Common Stocks

Following are the common stocks which we would recommend:

Shares	Cost	Approx. Yield %	Income
25 Montreal Power	$2,025	1.9	50
50 City Dairy	2,750	3.6	50
25 Imperial Oil	1,675	2.27	37.50
10 Goodyear Tire	1,400	3.5	50
10 Toronto Gen. Trusts	2,750	4.3	120
	$10,600	2.9	307.50
Total Investment	$59,561	x4.9	2,927.50

xAverage yield.

The average yield from these common stocks is less than three per cent. If a somewhat higher income is necessary we would suggest that a smaller sum be invested in the common stocks and a somewhat larger sum in the preferred stocks. Our suggestions, of course, are merely tentative and we do not think that any harm would result if the quantities we suggest were revised to fit the particular needs of your friend, assuming, of course, that the principle of diversification is not ignored.

Mercury Mills

What do you think of Mercury Mills 5½ per cent. bonds, series A, and the Canadian Western Natural Gas, Light, Heat & Power 6 per cent. preference stock for a safe investment?

I have about $20,000 '37 Victory bonds which my broker is anxious to convert into something else while the price is up. I dislike parting with them unless I can put them into something as secure, and do not wish to sacrifice the income. Also, that sum makes a substantial decrease in my income tax.

Would you change them at present? They argue that the government bonds may depreciate rapidly as the income tax is lowered. Kindly let me know as soon as possible.

Nothing is so safe as government bonds, and if you are prepared to sell your government you must reconcile yourself to the fact that the security of any other bonds or stock will not be quite so good.

Yet, there are many other securities which are reasonably safe, and in view of the fact that the income from government bonds gradually will decline as the national debt decreases and as lower interest issues replace the bonds issued by the government during and immediately following the war.

We believe that the bonds of Mercury Mills bearing 5½ per cent. interest and giving a yield slightly in excess of 5½ would be a satisfactory investment for you. Likewise, we are of the opinion that the preferred stock of the Canadian Western Natural Gas, Light, Heat and Power Company, Limited, will remain a good investment. The company is soundly managed, and its earnings are growing because the communities it serves with essential electricity and gas also are growing.

Should Diversify

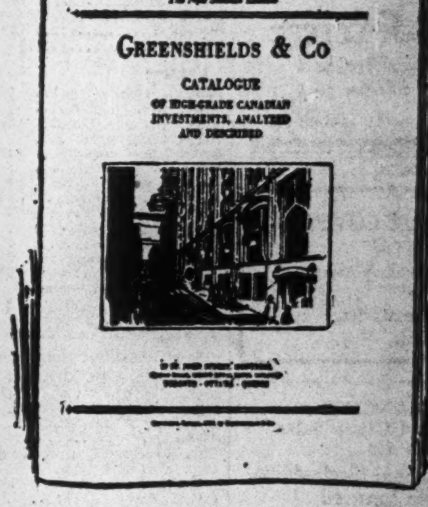
We would suggest that you do not put all your capital in any one of two securities. The principle of diversification as to company, industry and locality should be adhered to. A high degree of safety can be obtained by spreading the risk over a number of securities.

Bonds of the Abitibi Power and Paper Company, of the Montreal Tramways Company, of the Bell Telephone Company are among the sound bonds which should interest any person seeking a fair yield with a minimum of risk.

Some first-class preferred stocks would include City Dairy, Tuckett Tobacco, Winnipeg Electric and Canada Bread (A). Another preferred stock which we believe to be thoroughly safe is the first preferred of Canadian Canners, Limited, on which you can obtain a yield of about 6½ per cent.

MONTREALERS PAY TAX

OTTAWA. — Montrealers paid $16,195,033 and Toronto $13,448,543 in income taxes in the first four months of the fiscal year the National Revenue Department announced to-day. The increase over the corresponding period at Montreal was $2,732,754 and at Toronto $2,992,517.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WE WILL BUY - WE WILL SELL
M
Algoma Steel Corp., 5%, 1962
Asbestos Corp. 6%, 1956.
Baillargeon Express 6%.
Brandram Henderson Common
Can. Machinery Common
Dunlop Tire Pfd.
English Electric Pfd. & Com.
Holt Renfrew 6½%, 1937
Insurance Shares
Keefer Realty 6½%, 1943
Mansfield Theatres Common
McNish, Robt. 6% Debentures.
Montreal Finance 8% Pfd.
Mt. Royal Hotel Pfd. & Com.
Municipal Bonds.
Standard Clay Products 6%, 1942.
Sun Life Assurance Co.
United Amusements Common
Algoma Steel Corp. 5%, 1962.
B. C. Pulp & Paper Common.
Can. Light & Power Common.
Can. Hydro Electric Pfd.
Dominion Iron & Steel 5%, 1939.
Dupuis Freres 8% Pfd.
Durant Motors of Canada.
Fraser Co. 6%, 1950.
Imperial Royalties Pfd.
King Edward Hotel Debentures.
C. W. Lindsay Pfd. & Com.
Mt. Royal Hotel Pfd. & Com.
Mt. Royal Hotel Dividend Scripts.
N. S. Steel & Coal 6% Debentures.
Perfection Glass.
Pilsner Beer Pfd. & Com.
Traymore Cafeteria Common.
Windsor Hotel Common.
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Bought—Sold—Quoted
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Foreign Exchange

NEW YORK FUNDS

	High (Premium)	Low (Premium)	Last year High (Premium)	Last year Low (Premium)
Aug. 16	x1-32	x3-64	5-64	1-32
Aug. 17	x3-64	x3-64	1-16	3-64
Aug. 18	x3-64	x3-64	3-64	1-32
Aug. 20	x3-64	x1-16	1-32	x1-64
Aug. 21	x1-32	x3-64	Par	x1-64
Aug. 22	x1-64	x1-32	Par	x1-64

xDiscount.

STERLING, FRANCS and LIRE

	Sterling Close	Francs Close	Lire Close
Aug. 16	4.84 15-16	3.90 5-16	5.22 3-4
Aug. 17	4.85 1-16	3.90 5-16	5.22 15-16
Aug. 18	4.85 1-16	3.90 9-16	5.23 1-16
Aug. 20	4.84 15-16	3.90 11-16	5.23 1-16
Aug. 21	4.84 7-8	3.90 7-16	5.23 5-16
Aug. 22	4.84 7-8	3.90 3-8	5.23 3-8

FOREIGN EXCHANGE

Par		Aug. 15	Aug. 22
19.30	Italian	5.23	5.24
23.80	German	23.82	23.82
13.90	Belgian	13.91	13.91
49.80	Japanese	45.00	44.90

Stock Market Record

WEEK ENDING AUGUST 21

	Div. Rate	Yield Aug. 20	High for wk.	Low for wk.	Close Aug. 21	Close Aug. 14	Sales for wk.	Range 1928 High	Range 1928 Low
Banks—									
Commerce	12+1	4.48	297	292	292	295	181	335	227
Dominion	12+1	5.05	258	256	257	257	64	280	250
Can. Nationale	10	5.29	190	185½	185½	190	21	220	185
Imperial	12+1	5.11	255	252	253	253	36	265	245
Montreal	12+2	4.00	352	350	350	355	153	420	334
Nova Scotia	16	4.27	377	374	375	374	23	410	374
Royal	12+2	4.00	352	346	350	350	272	440	330
Standard	12	4.13	290	285	288	287	222	290	235
Toronto	12+1	4.33	299	299	299	299	6	340	280
Paper—									
Abitibi, com. (n.p.)	4	7.69	53½	50½	52½	51½	2551	89¾	47
Do. pref.	7	...	...	...	...	...	...	130	124
Do. pref.	6	6.66	90	89½	90	90	285	103	89
Belgo Can., pref.	7	6.93	101	101	101	105½	38	110	107
Brompton (no par)	$2	5.71	36	35	35½	35	835	71	34½
Can. Pr. & Paper	.	...	32	31	32¼	31⅛	2565	55	25
Fraser, com.	$1	1.85	57	54	55	52	805	93	47½
Int. Pap., c. (n.p.)	$2.40	3.52	70	67⅝	69	69	7600	84⅞	66
Do. pref.	7	7.06	99½	99⅛	99⅛	99	1300	108	99
Pt. Alf. P., c. (n.p.)	.	...	72	69	72	64	152	150	60
Do pref.	7	6.86	102	100	102	101	85	108	97
Price Bros., com.	2	2.66	80	71⅛	80	74	330	120⅜	69
Do. pref.	6½	6.19	105	104	105	104½	136	108	103
Smith, Howard, com.	.	...	20	19	20	19	50	28½	19
Do pref.	6	3.92	...	...	...	...	...	98	93
St. Maur. V., pref.	7	7.07	...	...	...	...	...	105½	95½
Wayagamack (n.p.)	$3	4.51	70	66	70	67	380	127¼	61
Steel and Steel Industries—									
B.E. Steel, com.	.	...	4	3	4	3¾	370	8½	1
Do. 1st pref.	.	...	35	33	35	29¾	15	48¼	22
Do. 2nd pref.	.	...	6½	6	6½	6¼	279	11¼	3½
Can. Car & Found., c.	.	...	36	35¼	35½	34	205	61¼	32
Do. pref.	7	7.75	90¼	90	90¼	...	225	97½	90
Can. Fairbanks, pref.	6+3†	5.82	...	...	...	...	...	103	101
Can. Forgings, com.	.	...	...	...	...	...	...	32	15
Do. pref.	1½†	...	...	...	...	...	...	97	65
C.G.E., c. (p. $50)	.	...	...	...	...	...	...	115	70½
Do. pref. (p. $50)	7	11.29	62½	61½	61½	63	82	63	58
Can. Iron, com.	.	...	...	...	...	...	...	27	25
Do. pref.	4	5.12	...	...	...	...	...	80	60½
Can. Locomotive, com.	.	...	...	...	...	...	...	40	29
Do. pref.	7	8.75	80	79	80	79	25	87	75
Dominion Bridge	$2.60	3.18	82	73	82	73⅛	10792	97	61½
Dominion Coal	.	...	...	...	...	...	...	98	75
Dominion Iron, pref.	.	...	...	...	...	7	...	12	5
Dom. Steel Corp., pref.	.	...	40	40	40	...	100	76¼	40
East Steel Pr. (n.p.)	.	...	29½	29	29	30	40	34	23
Do. pref.	7	7.36	95	94	95	...	115	99	94
Gotfredson, c. (n.p.)	.	...	...	...	...	...	...	15	5
Ford Motor	15	...	...	...	...	...	...	570	570
Hamil. Bridge (n.p.)	.	...	25¾	24	25¾	24	535	30	23
Hayes Wheel, c. (n.p.)	.	...	28½	28½	28½	26½	5	34½	21
Do. pref.	7	7.36	95	95	95	...	20	100	93½
Massey-Har., c. (n.p.)	.	...	44½	40	44	40¾	22255	47¼	36¾
Do. pref.	7	6.36	110	108	109	108½	210	111	107
Kelvinator, c. (n.p.)	.	...	...	...	...	7⅝	...	12¾	5
Do. pref.	7	8.43	...	...	...	...	...	88	65
McKin. Ind., c. (n.p.)	.	...	...	...	...	40	...	47	27¾
Do. pref.	7	7.10	98½	97½	98½	99	31	99¾	97
Do. Vot. Trust	.	...	40	40	40	40½	95	46	26
N.S. Steel, pref.	.	...	...	...	...	...	...	30	25
Ont. Steel, c. (n.p.)	$1.60	5.16	30	30	30	...	20	40	30
Do. pref.	7	5.83	...	...	...	...	...	120	120
Page Hersey, c. (n.p.)	$3	3.25	93	91	93	92½	466	108	85
Do. pref.	7	3.50	...	...	...	...	...	212	171
Pressed Metals, c.	$3+25	4.36	73	73	73	73	25	78	50
Do. pref.	7	7.00	100	100	100	...	5	105	95
Russell Motor, com.	4	6.15	...	...	...	...	...	72	56½
Do. pref.	7	7.00	100	100	100	...	10	104½	97½
Steel of Canada, com.	7	3.93	180	172	179	170	1223	240	160
Do. pref.	7	4.14	169	169	169	165	95	220	160
Milling, Foodstuffs and Merchandising—									
Alta. Pa. Gr., c. (n.p.)	.	...	62	52	60	53	820	70½	48
Do. pref.	7	7.07	100	98½	99	100	63	102	96½
Atlan. Sugar, c. (n.p.)	.	...	15	14⅞	14⅞	15¼	75	27½	14⅝
Do. pref.	.	...	...	...	...	...	...	85½	70
B.C. Fish, c. (n.p.)	.	...	22	18	21½	18	455	22	6¾
Do. pref.	.	...	...	...	...	...	...	77	46
B.C. Packers (n.p.)	.	...	15	12	15	12	850	17	12
Can. Bak., c. (n.p)	.	...	38⅛	38⅛	38⅛	38	25	42	37
Do. pref.	7	660	106	106	106	105	5	108	102½
Can. Bread, c. (n.p.)	$6	3.97	151½	151	151	...	110	170	150
Do. pref. (A)	7	3.94	...	...	...	119¼	...	124	115
Do. pref. (B)	7	6.39	109½	109½	109½	110	10	112¼	106
Can. Canners, c. (n.p.)	.	...	18	17	17	17¼	564	23	17
Do. 1st pref.	6	6.52	93	91	92	92½	272	94½	88½
Do. 2nd pref.	60c	3.11	19½	19	19¼	19½	849	25	10
Canadian Salt	8	4.77	...	...	...	...	...	170	154
Christie Br., c. (n.p.)	$1.20	1.47	82½	81	81	84	900	131½	79½
Cuban Can. Sugar, c.	.	...	2	1⅞	1⅞	2	50	3½	1½
Do. pref.	.	...	...	...	...	...	...	30	23
City Dairy, c. (n.p.)	$2	3.63	56	55	56	54⅞	440	60	44⅝
Do. pref.	7	5.60	...	...	...	...	...	130	121
Dom. Stores (n.p.)	$3	2.50	125	120	125	118	65	137	104½
Fanny Farmer	$1	2.85	...	...	...	32	...	41	31¾
Ham. Dairies, c. (n.p.)	.	...	42	40	40	43	95	50	35
Do. pref.	7	6.86	102	102	102	103	10	106	102
Hunts, Ltd. c. (n.p.)	$1	2.50	40	40	40	51½	1	51½	37
Do. pref.	7	7.14	100½	100	100	...	80	102	98
Inter. Milling, pref.	7	6.40	...	...	...	...	...	111	107½
L. of Woods, c. (n.p.)	$3.20	5.81	55	53	54	52⅛	335	61¾	51
Do. pref.	7	5.78	...	...	...	110	...	125	110
L. Secord, c. (n.p.)	.	...	44½	43½	44½	43	165	48	37
Do. pref.	7	5.17	...	...	...	...	...	145	121
Loblaw, c. (n.p.)	$2	2.56	78	75	78	78	54	118	75
Do. pref.	7	5.18	...	...	...	135	...	175	133
Maple Leaf Mill., c.	.	...	95	95	95	95	20	128⅝	94
Do. pref.	7	6.22	...	...	...	111	...	115	103
Muirheads, c. (n.p.)	60c	6.66	10	9	9	8	8	16½	8
Do. pref. (p. $10)	75c	5.76	...	...	...	11½	...	17½	11½
Nat. Grocers, pref.	8	8.16	98	97½	98	...	60	100	97
Ogilvie Fl., c. (n.p.)	$5	1.28	390	385	390	380	35	425	380
Do. pref.	7	5.38	...	...	...	130	...	143	130
Pure Gold Mfg. (n.p.)	$2	6.89	...	...	...	29	...	30	22
Shred. W., c. (n.p.)	$3	4.91	62	60½	62	61	225	78⅞	60½
Stanfords, c. (n.p.)	$1	9.09	...	...	...	...	...	27¼	10
Do. pref.	7	7.84	...	...	...	...	...	96½	89¼
St. Law. Flour, c.	.	...	33	33	33	37⅞	10	52¼	33
Do. pref.	7	7.29	...	...	...	...	...	96	95
Viau Bisc., c. (n.p.)	.	...	19	17	19	17	905	33	14½
Do. pref.	7	8.23	...	...	...	84	...	89	84
W. Can. Fl., c. (n.p.)	$1.40	4.05	34¾	34½	34¾	35	52	50	31½
Do. pref.	6½	6.34	102½	102½	102½	102½	5	109⅞	102½
W. Grocers, c. (n.p.)	$1	4.34	23	23	23	...	100	25	19
Do. pref.	7	8.33	...	...	...	...	...	86	75
Weston, com.	.	...	65	65	65	65½	5	69	48
Do. pref.	7	6.93	101	101	101	...	5	104	100
Utilities—									
Bell Telephone	8	5.00	161	160	160	160	397	175	154
Calgary Power	5	4.23	118	118	118	...	70	118	100
Consumers Gas	10	5.01	200	199½	199½	200	113	210	196
East Koot. Pr. (n.p.)	.	...	...	...	...	...	...	27	25
Do. pref.	7	6.93	...	...	...	...	...	101	98
Int. Util. (A) (n.p.)	$3.50	7.95	46	42	44½	43	490	51½	40½
Do. (B) (n.p.)	.	...	15	14½	15	14½	729	19½	6½
Jamaica Pub. Ser., pf.	7	6.22	112¼	112¼	112¼	113¼	4	115	105
Laurentide Power	5	1.98	...	...	...	...	...	275	130
Mackay, com.	7	5.78	121	121	121	...	10	133	109½
Do. pref.	4	5.19	...	...	...	77	...	83	66
Mexican Light, c.	.	...	...	...	...	...	...	112	61½
Do. pref.	7	...	...	...	...	71	...	80	71
Mont L H & P (n.p.)	$2	2.00	100½	99	100½	101	5585	120	89
Mont. Teleg. (p. $40)	8	5.82	...	...	...	...	...	56½	53¼
Nor. Mex. Pr., c.	4	5.06	80	79	80	79½	125	110	79
Do. pref.	7	7.00	...	...	...	...	...	105	...
Ot. & Hull P., c. (n.p.)	.	...	...	...	...	...	...	70	85
Ott. L. H. & Pr., c.	6	4.76	...	...	...	127	...	136	126
Do. pref.	6½	6.67	106½	106½	106½	106½	10	109	106½
Power Corp., c. (n.p.)	.	...	69	63	67½	64	3960	98	61½
Do. pref.	6	6.00	100	100	100	100½	20	103	99
Quebec Power, c.	$2	2.57	81	75	80	75	3248	115	68½
Shawinigan (n.p.)	$2	2.38	85¾	81½	84	82	6771	109¾	81½
S. Can. Pr., c. (n.p.)	4	2.96	135	135	135	135	36	180	114
Do. pref.	6	5.53	108½	108½	108½	108¾	15	109½	100
West Koot. Pr., pref.	7	...	...	...	...	...	...	106½	106½
Transportation—									
Can. Pacific Rly.	10	4.91	211½	211½	211½	203½	20	221	198
Can. Steam., c. (n.p.)	.	...	39½	39	39½	34	550	47½	31
Do. pref.	6	6.38	95	92	95	94¼	645	98½	89
Do. Voting	.	...	...	...	...	...	...	45	31
Tractions—									
Barcelona (p. $50)	$1	...	...	...	...	...	...	78	56
Brazilian, com. (n.p.)	$1.76	3.23	55¼	51½	55¼	51½	27611	64½	50
Do. pref.	6	3.00	...	...	...	...	...	200	160
Detroit Un. Rly.	.	...	...	...	...	1	...	2½	1
Duluth Superior	.	...	9	9	9	9	105	22	7
Montreal Trams.	10	5.15	197	193	197	194	293	212	190
Ottawa Traction	.	...	...	...	...	...	...	73	60
Porto Rico Rlys., c.	$3	...	...	...	...	...	...	x70⅜	59
Do. pref.	7	7.00	...	...	...	100	...	101	97
Twin City, c.	4	9.75	42½	41	41	42	265	55	40
Do. pref.	7	6.79	...	...	...	...	...	106	102¾
Winnipeg Elec., c.	2	1.98	102	97	100	96	3174	128¾	93
Do. pref.	7	6.42	109	109	109	109	72	115	105½
Textiles—									
Can. Conn. Cot., pref.	4	5.47	74	73	74	73	45	88	66
Can. Converters	7	7.65	99⅝	99⅝	99⅝	100	45	127	98½
Can. Cotton, com.	8	6.66	...	...	...	...	...	152	120
Do. pref.	6	5.82	...	...	...	102	...	104½	98½
Can. Woollens, com.	.	...	...	...	...	...	...	25	11
Do. pref.	.	...	...	...	...	...	...	89¼	72
Cosmos Imp., c. (n.p.)	.	...	20	19½	20	20	265	27½	17
Do. pref.	7	7.15	101½	99⅞	101½	100	15	101	97
Dom. Tex., c. (n.p.)	$5	4.87	103	102½	103	103	100	134½	101¾
Do. pref.	7	5.60	125	125	125	124	21	131	118
Monarch Knit, c.	.	...	...	...	...	...	...	x39½	7½
Do. pref.	.	...	...	...	...	60	...	70	45¾
Montreal Cottons, c.	6	5.45	...	...	...	...	...	128	110
Do. pref.	7	5.69	104	104	104	122	10	125	104
Penmans, c. (n.p.)	4	4.04	99	99	99	99	15	117⅛	97½
Do. pref.	6	5.68	...	...	...	109	...	109	100
Wabasso Cot. (n.p.)	6	5.71	...	...	...	...	...	133	105
Zimmerknit (n.p.)	.	...	...	...	...	18	...	30	18
Do. pref.	7	5.55	89	89	89	89	22	94½	89
General Industries—									
Am. Sales, c. (p. $25)	4	5.19	77	74	76	74	120	82	71
Do. pref.	7	6.36	110	109	110	108½	101	112	105
Asbestos Co., c. (n.p.)	.	...	30	25	26	27	455	39¼	25
Do. pref.	7	7.77	90	89	89½	89	207	97⅜	69
Brant. Cd., c. (p. $25)	8	10.52	19	18	19	19¼	110	21	14
Building Prod., com.	$1.20	3.87	32½	30½	32	30½	260	47	29½
Do. pref.	7	6.66	106	105	105	105	11	106	102½
Burt, F. N., c. (p. $25)	$3	4.61	65	65	65	65	90	76	63
Canada Cement, c.	.	...	28½	26½	28	28	519	35¾	25
Do. pref.	6½	6.56	99¼	92½	93	98½	406	101¼	92½
Can. Bronze, c. (n.p.)	$4	4.67	85½	85	85	84½	500	93⅛	67
Do. pref.	7	6.94	110½	100¾	110½	110½	125	111½	100¾
Can. Dredge, c. (n.p.)	.	...	46	43	46	43	965	55	31
Do. pref.	7	5.10	137	137	137	137	50	153	108
Cockshutt, com. (n.p.)	.	...	27¼	23½	27	23¾	4072	31½	23
Conduits, c. (n.p.)	.	...	...	...	...	...	...	15	15
Do. pref.	7	6.93	...	...	...	101	...	102	101
C. Smelt. (p. $25)	10+40	5.12	245	239	244	240	264	289½	239
Crow's Nest Coal	6	11.21	55	53½	54	54	17	62	53½
Dom. Glass, c.	7	5.69	125½	123	125½	122	122	144	122
Do. pref.	7	5.60	...	...	...	...	...	128	119
Dom. Rubber, pref.	7	7.00	...	...	...	...	...	100	99
E. Theat. (p. $25)	$2	7.40	...	...	...	...	...	30¾	25
Do. pref.	7	7.36	...	...	...	...	...	100	94
Fam. Players, c., new	.	...	22	20	22	21	252	24	20
Do. pref.	8	7.58	...	...	...	...	...	106	102
Gilman, com.	6	5.21	...	...	...	...	...	120	109
Do. pref.	7	5.51	...	...	...	...	...	130	113
Goodyear Tire, com.	$5	3.47	148	141	148	140	195	168	128½
Do. pref.	7	6.57	108	106½	107	107	124	110	104
Gypsum & Alabas., c.	$3	4.87	63	60	61	62	330	73	51
Ham. Un. Theatres, c.	.	...	16¼	13½	16	16	540	21½	7
Do. pref.	7	7.60	...	...	...	...	...	97½	82
Holt, Renfrew, c.	$3	2.85	105¼	105	105	...	50	120	80
Do. pref.	7	6.66	...	...	...	...	...	100	92
Int. Nic., c. (p. $25)	$3	3.01	103⅛	96½	101	97⅛	77469	103¾	73¾
Do. Rights	.	...	4	3⅝	3⅝	...	1969	4	3⅜
King Edward Hotel	$6	9.67	...	...	...	62	...	70	50
Lyall Construct. (new)	$3	5.88	52	50½	51½	52	640	76	50
Loew's, com.	.	...	...	...	...	...	...	40	30
Do. pref.	7	7.60	...	...	...	...	...	102	92
Metro. Chain Stores	.	...	...	...	...	...	...	62	61
Mitchell, J. S., c. (n.p.)	.	...	...	...	...	...	...	55	38
Do. pref.	7	6.73	...	...	...	...	...	105	99½
National Brick, com.	.	...	...	...	...	...	...	9	4
Do. pref.	6	8.82	68	68	68	...	50	75	60
Pacific Burt, com.	6	4.95	118	118	118	...	30	137	110
Do. pref.	7	5.73	...	...	...	...	...	136	120
Photo Engrav. (n.p.)	$2	5.71	35	35	35	33¾	122	41¼	33
Port Hope San., com.	4+2	2.66	...	...	...	...	179	265	190
Do. pref.	7	4.24	...	...	...	...	...	195	120
Rogers, Wm., com.	4	5.71	...	...	...	70	...	75	65
Do. pref.	7	6.60	...	...	...	106	...	106	100
Sher-Williams, com.	6	3.75	...	...	...	...	...	181	160
Do. pref.	7	6.08	115	115	115	115	5	129	115
Simon, & S., c. (n.p.)	.	...	34¾	33½	34¾	32½	260	45	32
Do. pref.	7	7.03	99½	99	99½	99	15	101¾	99
Standard Chem., com.	2	7.54	...	...	...	27	...	34	24
Sterling Coal	.	...	...	...	...	...	...	19	13
Tooke Bros., com.	.	...	...	...	...	...	...	20	15
Do. pref.	7	10.29	...	...	...	...	...	78	67
Tuckett Tobacco, c.	4	3.63	...	...	...	...	...	110	98
Do. pref.	7	5.95	...	...	...	117½	...	121	114
Woods Mfg., com.	.	...	...	...	...	...	...	38	30
Do. pref.	7	8.97	...	...	...	77¼	...	80	70
Beverage—									
Brading Brew. (n.p.)	$2	7.14	...	...	...	...	...	32	26½
Brew. & Distil. (n.p.)	40c	...	...	...	...	17	...	20	14
Can. Brew. (n.p.)	$2	6.68	30	29½	30	30	875	40	29
Canada Dry (n.p.)	$3	3.87	77½	72	77	73¼	500	87	63¾
C. Ind. Alc. (n.p.)	$1.52	3.80	40⅜	38	40⅜	38	3938	50½	31½
Do. (B)	.	...	37	35¾	37	37	105	47½	35¾
Can. Malting (n.p.)	$1.50	5.00	32½	29¾	32½	30	801	43½	26½
Canada Dry, Rights	.	...	...	...	...	...	...	2.00	80
Can. Wineries	.	...	14¾	12	12	14	310	23	13⅞
Carling Brew. (n.p.)	$2	7.69	30	26½	27½	22	2173	44	25¼
Com. Alc. (n.p.)	.	...	19	18½	19	18½	75	55½	18
Cosgrave B. (p. $10)	6	8.57	7	6¾	6¾	6½	455	10½	6½
Distil-Seagram (n.p.)	.	...	19	16	19	16½	4009	31	13
Federal Distil. (n.p.)	.	...	2¼	2	2	2	110	5½	1⅞
Chas. Gurd, c. (n.p.)	$2	2.54	79½	75	79¼	77	515	114	75
Do. pref.	7	6.36	...	...	...	...	...	110	106
Hiram Walker (n.p.)	$2	3.81	54	51	53½	51½	3561	69	50
L. Ont. Brew. (n.p.)	.	...	12	12	12	10½	30	30	10
Nat. Brew., c. (n.p.)	4	3.30	125½	119	124½	119	2910	140	112½
Do. pref.	7	5.78	...	...	...	130	...	130	122
Nat. Distilleries	.	...	14½	14	14	14½	110	20¾	10
Orange Cr., c. (n.p.)	.	...	17½	14½	16	...	160	25¾	14½
Do. pref. (A)	7	7.14	98	98	98	...	100	106	98
Do. pref. (B) (n.p.)	$2	5.06	40¼	39½	39½	41	32	51	39½
Pelissiers (n.p.)	.	...	14	13	13	13	50	18½	12½
Do. pref.	7	7.00	...	...	...	...	...	103	100
Toronto Brew. (n.p.)	.	...	...	...	...	7	...	10½	7
Oil—									
Ajax	.	...	58½	45	52	50	65200	100	43
Beacon Oil	.	...	16	16	16	15½	50	20	13¼
Brit. Am. Oil (n.p.)	$1	2.68	37¾	36¾	37¾	37	2883	42¼	31¾
Can. Oil, c. (n.p.)	$1	2.00	50	50	50	50	35	68½	44
Do. pref.	8	6.29	...	...	...	...	...	170	127
Continental Oil	.	...	...	...	...	...	...	22	17
Foothills Oil	.	...	3.00	3.00	3.00	3.00	400	6.35	1.50
Home Oil	.	...	2.79	2.65	2.71	2.60	9545	4.00	2.15
Imperial Oil (n.p.)	$1.50	2.23	68	66	67¼	66	2307	72½	56
Int. Pete. (n.p.)	75c	1.95	38¾	37½	38	38	2600	44⅞	34½
McColl, c. (n.p.)	.	...	27	25¾	27	26¼	1772	36	25
Do. pref.	6	6.89	...	...	...	87	...	96	85
North Star, c. (p. $5)	.	...	5.00	5.00	5.00	4.75	100	5.60	2.25
Do. pref. (p. $5)	7	...	...	...	...	...	...	6.50	5.00
Petrol Oil	.	...	...	...	...	13½	...	21⅞	13½
Super Pet., c. (new)	.	...	30	28	30	28	723	39	28
Do. Voting Trust	.	...	5	1	31	28	10200	38	28
Do. pref.	7	7.14	99¼	98	98	...	25	1.05	97
Trojan Oil	.	...	...	...	...	...	...	2.50	1.00
Volcanic Oil	$1.45	...	38	38	38	38½	100	41	29
Vacuum Gas	.	...	5½	5½	5½	5½	500	12½	4
Super Pet. Rights	.	...	...	...	...	20	...	1.00	50
Trust and Loan—									
Can. Permanent	12	4.95	...	...	...	242	...	251	230½
Central Canada	12+6	...	...	...	...	...	...	255⅛	255⅛
Col. Invest. (p. $10)	.	...	...	...	...	...	...	5	4
Econ. Invest. (p. $50)	4	3.63	56	55	56	55	126	61	55
Huron & Erie	8	4.70	...	...	...	...	...	170	152
Landed Banking	10	4.87	...	...	...	205	...	205	200
Mont. Loan (p. $25)	12+1	6.56	...	...	...	...	...	49½	48
National Trust	12+1	3.88	356	355	356	...	13	370	305
Ont. Loan (p. $50)	12	4.44	...	...	...	...	...	140	128
Real Estate Loan	7	6.08	...	...	...	...	...	115	110
Toronto Gen. Trusts	12	4.31	280	278	278	275	16	300	275
Toronto Mtge. (p. $50)	12	4.87	...	...	...	...	...	123	114
Union Trust	7+1	5.83	137	137	137	...	10	150	135
CURB AND UNLISTED MARKETS									
Asch, com. (n.p.)	.	...	...	...	...	...	...	30	22
Do. pref.	7	8.04	...	...	...	...	...	93	81
Attendu Eng. (p. $1)	.	...	10	10	10	10	310	21	7
Belding, com.	7	6.36	...	...	...	...	...	110	80
Do. pref.	7	6.36	...	...	...	...	...	110	94
Branston Silk (p. £1)	.	...	...	...	...	...	...	5	5
Do. Def. (p. 4s.)	.	...	...	...	...	...	...	310	310
Bruck Silk Mills (n.p.)	.	...	...	...	...	35	...	35	30⅛
Can. Celanese	.	...	44	38½	44	40½	315	78	38½
Do. pref.	.	...	...	...	...	79	...	108½	79
Can. Vickers (n.p.)	.	...	...	...	...	29	...	49⅛	24⅛
Do. pref.	7	7.29	96	95	96	...	26	96½	93
Can. Power	.	...	31¾	31¾	31¾	...	10	54¾	31¾
Can. Light & Power	.	...	...	...	...	...	...	49	39
Can. Marconi	.	...	...	...	...	7	...	8¾	6¼
Can. Nor. Pr., c. (n.p.)	.	...	81	80	81	81	148	90	65
Do. pref.	7	6.48	...	...	...	108	...	108½	100
Can. Vinegar	$1.60	6.40	25½	25	25	25½	260	27½	25
Cons. Food Products	.	...	7	6¼	7	5½	30	14½	5
Cons. Sand., c. (n.p.)	.	...	13½	12½	13	12½	317	13½	11
Do. pref.	7	8.14	86	86	86	86¼	177	90	86
Cooksville Sh. Brick, c.	.	...	...	...	...	...	...	14	14
Do. pref.	4	6.89	...	...	...	...	...	60	55
Dom. Engineering	$3	3.97	76½	71	75	72	1080	84	52
Dom. Fdy. & Steel, c.	.	...	...	...	...	...	...	20	5
Do. pref.	.	...	...	...	...	...	...	42	32
Donnacona	.	...	25	24	25	22	225	47	20
Dom. Power, c.	.	...	...	...	...	...	...	66	45
Do. pref.	7	6.60	...	...	...	...	...	106⅝	105
Dryden Paper (n.p.)	.	...	35½	32	35½	30	1900	56	23
Durant Motor (p. $10)	40c	5.00	8	7¾	8	7¾	276	10¼	6
E. Dairies, c. (n.p.)	.	...	35	35	35	36½	105	60¾	35
Do. pref.	7	6.86	...	...	...	...	...	102	99
Eng. Elec., c. (n.p.)	.	...	...	...	...	...	...	31	11
Do. pref.	.	...	78	78	78	80	20	112	75
Farm Dairy, c.	50c	2.77	21¼	18	18	20	185	27	17
Do. pref.	7	6.60	106	106	106	...	10	110	105
For. Pr. Secs. (n.p.)	.	...	35	30½	35	30	187	56¼	30
Freiman, c. (n.p.)	.	...	...	...	...	...	...	20	19¾
Do. pref.	6	6.66	...	...	...	...	...	90	90
Gen. St. Wares (n.p.)	.	...	27½	23	25	24	2693	38¾	23
Do. pref.	7	6.86	...	...	...	...	...	102	101
Gt. W. Sad., c. (n.p.)	.	...	21	19½	21	21⅝	280	29½	19½
Do. pref.	6½	6.91	94	94	94	...	30	99¾	94
Hamilton Cot., pref.	$2	6.55	31½	30½	31½	30½	50	39	30½
Hinde & Dauch (np.)	$1	...	23¾	22	23¾	23½	95	33	22
Hydro-Elec. (n.p.)	.	...	28	26	27	26	240	85	25¾
Imp. Tob., c. (p. $5)	6+2	3.72	11⅛	10¾	10¾	10¾	3540	11⅜	8⅛
Inter. Power, com.	.	...	30	29	30	35	120	43¼	29
Do. pref.	7	7.21	97	96½	96½	97½	7	101⅛	95½
Kemsley Millburn	.	...	...	...	...	...	...	20	15⅝
Loew's London, com.	3	...	4	4	4	...	10	5¾	4
Man. Power (n.p.)	$2	...	92	89	92	88	245	123½	83
Mercury Mills (n.p.)	.	...	...	...	...	40½	...	41	35
Do. pref.	6	6.66	...	...	...	89	...	96	89
*Mitchell, Robt. (n.p.)	.	...	27	26	27	26	...	40½	26
Do. pref.	7	6.79	103	103	103	...	1	110	95
Montreal Ex. (p. $30)	.	...	24½	18	23½	19	490	36	18
Municipal Ser. (n.p.)	.	...	9	7	8½	7	480	17	7
Ott. Riv. Pr. (n.p.)	.	...	...	...	...	...	...	38	25
North Bak. (n.p.)	$2	5.12	39	37	38	37¼	1335	54	37
N.S. Car, c. (n.p.)	.	...	37½	35	37½	35	575	49	34½
Paton Mfg., c. (n.p.)	.	...	...	...	...	...	...	68	55
Do. pref.	.	...	...	...	...	...	...	103	102
Perfection Glass	.	...	2½	2	2½	2	950	8¾	2
Regent Knitting	.	...	20½	17	20½	17	667	33	17
Reliance Grain (n.p.)	.	...	42	42	42	42¼	10	55	38
R. S. Mills (n.p.)	$2	6.61	32	29	31	30	315	39	29
Robinson Cone (n.p.)	$1.50	6.52	23	23	23	23	55	34½	23
E. L. Ruddy, pref.	7	7.00	...	...	...	...	...	101	97½
Service Stn. Equip.	$1.60	4.44	36½	33½	36	33	947	48	33
Simpson, Robt., pref.	6	5.66	106	106	106	...	15	108	102
Sprucolite (n.p.)	.	...	39	39	39	...	85	59	39
Standard Clay (n.p.)	.	...	...	...	...	...	...	34½	33
Standard Pav. (n.p.)	$1.50	6.52	25½	23	23	25	370	29¼	23
Tamblyn, c. (n.p.)	.	...	...	...	...	28	...	86¼	21
Do. pref.	.	...	96	93	96	96	25	99	90
Tip Top Tailors (n.p.)	.	...	27½	26	26	27¼	130	32¼	26
Do. pref.	7	7.36	97	95	97	99	20	100	95
United Fuel, c. (n.p.)	.	...	25	25	25	27	5	36	25
Do. pref.	6	6.89	88	87	87	87½	38	93	86
United Secs., com.	.	...	...	...	...	...	...	64½	50
Do. pref.	6	5.82	104	103	104	102	11	105	100
Waterloo Mfg.	$1	6.06	16½	16¼	16¼	16	150	20	16

†Arrears.

xQuotations for 1927. No sales recorded in 1928 to date.

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Conferences Invited

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Paid-up Capital One Million Dollars
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10 Adelaide St. East, Toronto
Gerald Jephcott, C.A. Resident Manager

CANADA PERMANENT MORTGAGE CORPORATION

Quarterly Dividend

Notice is hereby given that a Dividend of THREE PER CENT. for the current quarter, being at the rate of TWELVE PER CENT. PER ANNUM on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable MONDAY, THE FIRST DAY OF OCTOBER next, to Shareholders of record at the close of business on the Fifteenth day of September.

By order of the Board.

Toronto, August 15th, 1928. WALTER F. WATKINS, Secretary.

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BONDS AND SHARES
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Flood Barnes & Co. Ltd. Active Bond Prices

	Price	Rate	Years to Maturity	Next int. Date	Yield %
Agric. Mtge. Bk. of Colombia Gtd. S.F. 7s, due '47	100	7	19	Jan. 15	7.00
Alberta Pacific Grain 1st S.F. 6's due '46	101½	6	18	Dec. 1	5.86
Argentine Govt. 6's, Series "B" due '58	99¾	6	30	Dec. 1	6.01
Asbestos Corp., 1st Ref. S.F. 6's, due '41	102½	6	13	Jan. 1	5.73
Asbestos Corp. Gen. Mtge. S.F. 6's, due '56	98½	6	28	Jan. 1	6.11
Bell Tel. of Can. 1st 5's, Series "B", due '57	104	5	29	Dec. 1	4.75
Brazil, United States, Ext. S.F. 6½'s, due '57	96	6½	29	Oct. 1	6.81
Canada Cement, 1st Mtge. S.F. 5½'s, due '47	102½	5½	19	Nov. 1	5.28
Canada Power & Paper Coll., Trust 5½'s, due '58	90½	5½	30	Jan. 1	6.20
Canada Paper, 1st S.F. 6's, due '45	103	6	17	Dec. 4	5.72
Can. Light & Pwr. 1st S. F. 5's, due '49	95½	5	21	Jan. 1	5.35
Can. S. S. Lines, 6's, 1 & gen., Series A, due '41	102¼	6	13	Oct. 15	5.75
Can. S. S. Lines Consol. 5's, due '43	103	5	15	Feb. 15	4.72
C. P. Rly. Coll. Trust. 5's, due '34	101	5	6	Oct. 15	4.80
C. P. Rly. Secured 4½% notes, due '44	99	4½	16	Dec. 15	4.57
Can. Goodrich Income 7's, due '43	62	7	15		
Chile Republic Ext. S.F. 6's, due '60	94½	6	32	Oct. 1	6.40
Colombia Repub. Ext. S.F. 6's, due '61	91¼	6	33	Oct. 1	6.65
Dom. Iron & Steel Consol. S.F. 5's, due '39 (£)	71	5	11	Sept. 1	...
Donnacona Paper Co. 1st S.F. 5½'s, due '48	99	5½	20	Feb. 1	5.60
Donnacona Paper Co. 6's Debentures, due '48	99½	6	20	Feb. 1	6.05
Duke Price Power S.F. 6's, Series "A", due '66	106	6	38	Nov. 1	5.65
Fraser Companies, 1st S.F. 6's, due '50	103	6	22	Jan. 1	5.75
Fraser Companies 6½'s Debentures, due '42 (Cum. Stock Rights)	105	6½	14	Oct. 1	5.96
French Line Ext. S.F. 6½'s, due '51	101¼	6½	23	Feb. 15	6.41
French National Mail S.S. Ext. S.F. 6's, due '52	99½	6	24	Nov. 1	6.06
Gen. Steel Wares, Ltd., 1st mtge. S.F. 6's, due '52	102	6	24	Nov. 1	5.84
Gatineau Power, 1st. S. F. 5's, due '56	98¾	5	28	Dec. 1	5.07
Gatineau Power S.F. Debs. 6's, due '41	101½	6	13	Dec. 15	5.83
Hydro-Elec. B'd & Sh. Corp. Coll. Trust S.F. 5's, due '47	97½	5	19	Nov. 1	5.20
Manitoba Power 1st S.F. 5½'s, due '51	104	5½	23	Jan. 1	5.20
Massey-Harris Co. 1st Mtge. 5's, due '47	98	5	19	Oct. 15	5.17
Mtl. Coke & Mfg. 1st S.F. 5½'s, Series A, due '47	102½	5½	19	Dec. 1	5.28
Mont. L. H. & P. Cons. 1st Ref. & Coll. Trust 5's, Series A, due '51	102	5	23	Oct. 1	4.87
Mtl. Tram. 1st Coll. Trust 5s, Series A, due '41	100½	5	13	Jan. 1	4.95
Mtl. Tramways Gen. & Ref. 5's, Series "A", due '55	99½	5	27	Oct. 1	5.03
Nova Scotia Coal & Steel 1st S.F. 5's, due '59	76	5	21	Jan. 1	...
Northwestern Utilities, 1st S.F. 7's, due '38	104	7	10	Dec. 1	6.45
Port Alfred Pulp & Paper 1st S.F. 5½'s, due '57	98½	5½	19	Nov. 1	5.61
Price Bros. 1st S.F. 6's, Series A, due '43	106	6	15	Feb. 1	5.41
St. Law. Paper, 1st S.F. 6's, Series A, due '46	105	6	18	Sept. 1	Called
St. Law. Paper, S. F. Debs., 6½'s. due '36	102	6½	8	Jan. 2	Called
Southern Can. Pwr. 1st 5's, Series A, due '55	102	5	27	Oct. 1	4.87
United Grain Growers, 1st. Mtge. 5's, due '48	98	5	20	Jan. 2	5.17
United Securities Coll. Trust S.F. 5½'s, Series A, due '52	103¼	5½	24	Nov. 1	5.28
Wayagamac Pulp & Paper 1st S.F. 6's, due '51	103½	6	23	Jan. 1	5.68
Winnipeg Electric Ref. 6's, due '54	104	6	26	Oct. 1	5.70

Unlisted Stocks

These approximate prices are mostly as at Aug. 21, and as most transactions in unlisted stocks are the result of personal negotiations, these figures cannot be guaranteed.

Industrial Stocks

	Bid	Asked
A. W. Chase, com.	$ 2.00	5.00
A. W. Chase, pref.	65.00	.....
Border Cities, pfd. bonus c.	.....	25.00
Brandram-Henderson, com.	27.00	30.00
Brandram-Henderson, pref.	85.00	91.00
Canadian Westinghouse	245.00	.....
Canada Machinery, com.	6.50	9.00
Canada Machinery, pref.	29.50	....
Can. Paperboard, pref.	90.00	95.00
Caulfields Dairy, com.	20.00	[illegible]
Copeland Flour Mills, pref.	20.00	26.00
Dom. Alloy, pf. bonus com.	....	2.00
Dom. Foundries & Steel, c.	10.00	15.00
Dom. Foundries & Steel, pf.	50.00	55.00
Dom. Linens, pref.	16.00	....
Dom. Manufacturers, com.	6.00	....
Dom. Manufacturers, pref.	70.00	....
Dom. Power, com.	40.00	47.00
Dom. Power, pref.	102.50	105.50
Dom. Sewer Pipe, com.	55.00	64.00
Dom. Sugar, com.	33.50	38.00
Dom. Sugar, pref.	96.00	100.00
Dunlop Tire, pref.	101.75	105.50
Gillet, E. W.	85.00	....
Goodyear Cotton, 7% pref.	100.50	103.00
Guardian Realty, pref.	59.50	67.50
Harding Carpet, com.	21.50	....
Huethers Brewing, pref.	1.00	3.00
Honey Dew, com.	32.00	37.00
Honey Dew, pref.	86.00	90.00
King Edward Hotel, "A"	84.00	88.00
King Edward Hotel, "B"	83.00	86.00
Kingston Shipbuilding, pf.	17.50	21.00
Loew's London, com.	4.00	4.75
Loew's London, pref.	7.00	8.00
Milton Brick Co.	17.50	....
Palace Thea. (Mont.) pfd.	95.00	....
Simpson, Robt., pref.	104.00	106.00
Traymore, pref.	....	19.00

Insurance

	Bid	Asked
British America	55	..
Canadian Fire, full pd.	125	135
Canada Life	975	1000
Canada National	15	..
Casualty of Canada, full pd.	190	200
Capital Life, 20% pd.	26	..
Continental Life, 10% pd.	88	..
Commonwealth Life, 10% pd.	32	37
Commercial Life, 10% paid	18	25
Confederation Life, 10% pd.	120	..
Crown Life, full paid	335	..
Dom. of Can. Guar. & Ac.	375	400
Dominion Fire	140	...
Dominion Life, 50% pd.	440	..
Excelsior Life, 30% pd.	125	...
Federal Fire, 25% paid	42	..
Fidelity of Canada, full paid	145	..
Great West, full paid	590	...
Imperial Life, 90% paid	435	..
Manufacturers Life, 55% pd.	400	450
Monarch Life, 10% paid	47	51
Montreal Life, 20% paid	77	85
National Life, 25% paid	95	105
Ontario Equitable 10% paid	33	(Ex. rts.)
Security Life, 50% paid	25	...
Sovereign Life, 25% paid	53½	58½
Sun Life, 75% paid	2300	2400
Toronto Casualty	..	26
Western Assurance	75	80

Mortgage, Loan, Etc.

	Bid	Asked
British Mortgage & Trust	$205.00	$225.00
Capital Trust	72.00	80.00
Chartered Trust	104.00	109.00
Commercial Finance, com.	20.00	25.50
Commercial Finance, pfd.	77.00	.....
Crown Trust	135.00	....
Debentures & Secs., com.	71.00	....
Debentures & Secs., pref.	73.00	76.50
Guelph & Ont. Invest.	130.00	....
Lambton Loan & Savings	81.00	....
London Loan & Savings	47.50	52.00
London & West Trusts	147.00	....
Midland Loan & Savings	18.00	....
Mortgage Discount, pref.	6.50	7.50
Mortgage Discount, com.	.40	.70
Mutual Finance, com.	8.30	.....
Mutual Finance pref.	8.30	.....
Peoples Loan & Savings	81.00	90.00
Sterling Trust Co.	102.00	....
Toronto Finance, pref.	2.00	3.00
Waterloo Trust & Savings	120.00	....

Club Shares

	Bid	Asked
Bayview Golf	$ 25.00	$ 35.00
Lakeview Golf	45.00	70.00
Lambton Golf	375.00	425.00
Mississauga Golf	20.00	40.00
Rosedale Golf	185.00	....
Summit Golf	25.00	40.00
Thistledown Golf	45.00	65.00
Thornhill Golf	65.00	80.00
Weston Golf	80.00	100.00
York Down Golf	265.00	300.00

Recent London Quotations

	Sales
Calgary Power	118
Hudson's Bay	117s. 6d.
Hudson's Bay 5% pref.	96s. 10½d.
Can. West. Lumber	6s. 6d.
Standard Chemical, 7%	26½.
Dominion Tar	51s. 6d.
Mond Nickel (ex rights)	76s. 10½d.
Lake Superior	6

Recent Vancouver Quotations

	Bid	Asked
B. C. Telephone, pfd., new 6%	105	..
Pacific Coyle, com.	10½	13
Gosse Packing, pref.	....	30

Recent Winnipeg Quotations

	Bid	Asked
Beaver Fire Co.	120	..
Can. Fire Ins. Co.	108	..
Home Invest. & S. Assn.	70	..
N. Mtge., fully paid	80	..
N. Mtge. 50% paid	26	..
Northern Trusts Co.	52	..
Standard Trusts Co.	35	..
No. Star Oil, com.	4.80	5.25
No. Star Oil, pref.	5.35	5.50

Dividends Declared

	Rate	Date	Record
Pressed Metals, pref.	1¾%	Oct. 1	Sept. 11
Do., pref.	1¾%	Jan. 1, '29	Dec. 12
Durant Motors	10c.	Sept. 30	Sept. 15
Do.,	10c.	Dec. 31	Nov. 15
Stand. Chemical, c.	$1.00	Sept. 1	July 31
Belding Cort., pfd.	1¾%	Sept. 15	Aug. 31
Royal Bank	3%	Sept. 1	July 31
Brazilian c.	44c.	Sept. 1	July 31
East. Theatres, c.	50c.	Sept. 1	July 31
Bk. of Toronto	3%	Sept. 1	Aug. 15
Bk. of Montreal	3%	Sept. 1	July 31
Bk. of Commerce	3%	Sept. 1	Aug. 16
McIntyre Mines	5%	Sept. 1	Aug. 1
Traymore, com.	12½c	Oct. 1	Sept. 15
Can Oil, pref.	2%	Oct. 1	Sept. 20
Crow's Nest Coal	1½%	Sept. 1	Aug. 10
Lindsay, C. W., pfd.	1⅝%	Sept. 1	Aug. 20
Wayagamack	75c	Sept. 1	Aug. 15
Power Corp., 1st pfd.	1½%	Oct. 15	Sept. 29
East Koot. Pr., pfd.	1¾%	Sept. 15	Aug. 31
Can. Nor. Pr., pfd.	1¾%	Oct. 15	Sept. 29
Montreal Loan	3%	Sept. 15	Aug. 31
Can. Vinegars,	40c.	Sept. 1	Aug. 15
Corr. Paper Box, pfd.	1¾%	Sept. 1	Aug. 16
Loblaw Groc., c.	50c.	Sept. 1	Aug. 18
Do., pref.	1¾%	Sept. 1	Aug. 18
Robinson Cone	37½c	Oct. 1	Sept. 15
Simon & Sons, pfd.	1¾%	Sept. 1	Aug. 29
Imperial Oil	25+12½c	Sept. 1	Aug. 15
Lyall Cons.	75c	Sept. 1	Aug. 15
Montreal Cottons, c.	1½%	Sept. 15	Aug. 31
Do., pfd.	1¾%	Sept. 15	Aug. 31
Can. Pac. Rly.	2½%	Oct. 1	Aug. 31
Do., pfd.	2%	Oct. 1	Aug. 31
Inter. Milling, pfd.	1¾%	Sept. 1	Aug. 20
G. W. Saddlery, 1st and 2nd pfd.	1⅝%	Sept. 1	Aug. 17
H. Smith Paper, pfd.	1½%	Aug. 31	Aug. 21
E. L. Ruddy	1¾%	Sept. 1	Aug. 15
St. M. V. Corp., pfd.	1¾%	Oct. 1	Sept. 15
Dom. Oil Co., c. "A"	25c.	Sept. 1	Aug. 15
Legare, P. T. Co., pfd.	1¾%	Sept. 1	Aug. 15
David & Frere, c. "A"	56c.	Sept. 15	Aug. 31
Hollinger cons., c.	2%	Sept. 8	Aug. 22
Belgo-Can. Paper pfd.	1¾%	Oct. 1	Sept. 1
Ham. U. Thea. pfd.	1¾%	Sept. 1	Aug. 31
Canada Permanent, c.	3%	Oct. 1	Sept. 15
Photo Engravers, c.	50c.	Sept. 1	Aug. 17
Anticosti Corp., pfd.	1¾%	Sept. 1	Aug. 16
Can. Hydro-Elec. Corp., pfd.	1½%	Sept. 1	Aug. 16
Rolland Paper Co., pfd.	1½%	Sept. 1	Aug. 15
Dictaphone Corp., pfd.	50c	Sept. 1	Aug. 17
Hamilton Dair. pfd.	1¾%	Sept. 1	Aug. 20
Lake Shore Mines, c.	20%	Sept. 15	Sept. 1
Inter. Nickel, c.	75c	Sept. 29	Sept. 10
Can. Malting Co.	37½c	Sept. 15	Aug. 31
Do., Warrants	37½c	Sept. 15	
Imperial Tob., pfd.	3%	Sept. 29	Sept. 7
Do., com.	1½%	Sept. 28	Sept. 7
Bank of Nova Scotia	4%	Oct. 1	Sept. 15
Cooksville Shale Brick, pfd.	1%	Sept. 15	Aug. 31
Port Alfred P. & P. pfd.	1¾%	Sept. 15	Sept. 1
St. Maurice Valley, pfd.	1¾%	Oct. 1	Sept. 15
E. Kootenay Pr., pfd.	1¾	Sept. 15	Aug. 31

NEW YORK CURB

	Close Aug. 8	Close Aug. 15	Close Aug. 22
Can. Marconi	6 3-4	6 3-8	6 1-2
Ford Canada	550	545	...
Imp. Oil Can.	66	..	68 1-2
Inter. Pete.	38	37 3-4	..
Int. Util. "A"	..	43 1-4	..
Int. Util. "B"	14 3-4	14	15 1-8
Nipissing	3 3-8	3	3 1-2
Noranda	51 7-8	51	55 1-2

Listed Bond Movements of the Week

Week Ending August 14

Bonds	Int. Rate	Due	Yield	Range 1927 High	Range 1927 Low	Range 1928 High	Range 1928 Low	Ask	Latest Price Bid	Latest Price High	Latest Price Low
Asbestos Gen. Mge.	6	1956	6.28	98	88	98⅛	96	97½	97	97	97
C. P. R.	5	1934	5.19	..	..	..	..	99	..	99	99
Can. Pr. & Pap. Debs.	5½	1956	6.34	..	..	99½	90	Par	90	91	90½
Dominion Iron	5	1929	6.29	93¾	69	98⅛	94	98	95¾	96½	95¾
Mont. Tram. Gen. Mgte. A.	5	1955	5.00	100	94	101¼	98	99	98	100	98
Price Bros.	6	1943	5.41	..	..	..	..	..	105¼	106	106
Wayagamack	6	1951	6.00	104	97	105	100	101	..	100	100
War Loan	5	1931	4.19	102.70	101.00	102.85	101.01	101.75	....	101.25	101.10
Do.	5	1937	4.57	106.95	102.95	106.70	103.00	103.50	103.45	103.50	103.00
Victory Loan	5½	1933	4.93	106.90	103.05	106.50	102.10	102.80	102.50	102.65	102.10
Do.	5½	1934	5.09	105.75	102.80	105.85	102.02	102.25	102.00	102.30	102.02
Do.	5½	1937	4.40	111.15	106.85	110.95	107.15	....	102.10	107.30	107.15
Do., Refund	5	1928	5.00	101.50	99.75	100.60	99.63	....	....	....	....
Do.	4½	1940	4.60	102.40	96.50	102.90	98.65	99.40	99.00	99.25	99.00
Do.	5	1943	4.79	106.40	102.30	102.75	102.25	102.65	102.00	102.75	102.25
Do.	4½	1944	4.55	103.00	96.60	103.05	99.00	99.20	....	99.40	99.40
Do.	4½	1946	4.54	102.70	96.70	103.15	99.50	99.90	99.50	99.50	99.50
Do., Refund	5½	1932	3.95	104.40	101.85	105.80	101.00	....	101.00	101.90	101.00

Attention to Quality Will Enlarge Markets for Tobacco in Britain

Canada Shares Opportunity With Other British Growers

PREFERENCE HELPS

Chiefly as Result of Preference, Says Empire Marketing Board, Our Export to Britain Grow

In a study of the United Kingdom market for Empire-grown tobaccos, the Empire Marketing Board makes it clear that Canada has an excellent opportunity to increase its rapidly growing export tobacco trade in that direction. In the year after the war, Canada exported 140,000 pounds of tobacco to Britain; in 1927 Canada exported 5,812,000 pound of tobacco to the same market. The latter had a value of about $2,500,000. Grant by the British Government of a ten-year preference of one quarter of the import duty, or two shillings a pound, which is more than the value of the leaf itself, has been a large factor in this growth of trade.

Big Growth in Output

In the last two decades there has been a rapid increase in the production and consumption of tobacco in the world. For the years 1909 to 1913 the average annual world production of leaf, excluding India and China, was estimated at 2,304,000,000 lbs.; for the years 1920 to 1922 this average was placed at 2,673,000,000 lbs. and in 1926 it is computed that 3,415,000,000 lbs. of tobacco leaf were harvested. Unfortunately equivalent figures for the earlier years are not available for India and China for which two countries the crop in 1926 was estimated at 1,485,000,000 lbs. If this quantity be included the estimate of the total production of tobacco in the world in 1926 was 4,900,000,000 lbs. The United States of America and the British Empire provided approximately half of this world total.

The chief producing countries in 1926 were:

	Quantity in millions of lbs.	Percentage to total world production
U. S. A.	1,298	26.5
British Empire:—		
India	1.000	
Canada	29	
Union of S. Africa	19	
Southern Rhodesia ..	19	22.1
Nyasaland	11	
Northern Rhodesia	2	
Australia	1.5	
Cyprus	1.5	
China	485	9.9
Russia	386	7.9
The Balkans	341	7.0
The Dutch East Indies	240	4.9
Japan	132	2.8
Brazil	130	2.7
The West Indies	127	2.6
The Philippines	100	2.0
Italy	98	2.0
France	58	1.2
Hungary	57	1.2

The remaining 7 per cent. was produced in a large number of countries scattered over the world, including many portions of the British Empire.

Preference Helps Canada

Canada in 1927 grew 49,000,000 pounds of tobacco and consumed 38,000,000 pounds of this leaving an exportable surplus of 9,000,000 pounds. The Empire Marketing Board declares that "In Canada, where the local market for leaf has expanded slowly and the import of leaf from America has increased, the growth in production is the result of the grant of preference."

It shows that the production from crops sown in 1918 was 14,000,000 pounds and from crops sown in 1926 28,800,000 pounds, the 1926 crop being twice the 1918 crop.

Britain's Consumption Increases

Great Britain has become a greatly increased user of tobacco.

The quantity of leaf manufactured in the United Kingdom in 1927 into smokable products for local consumption has thus been estimated at 152,000,000 lbs. This, added to the quantity of imported cigars and cigarettes, gives an annual average consumption of 3.4 lbs. per capita. In 1914 the per capita consumption was 2.4 lbs., indicating a recent rapid increase in consumption due undoubtedly to the extension of the cigarette habit and to smoking on the part of women.

In 1921, the Empire, including Canada, supplied only 3.3 per cent. of the tobacco used in the United Kingdom. Last year it supplied over 18 per cent. American tobacco has declined from 94.3 per cent. to 79.9 per cent.

Heavy Cigarette Smokers

In the past few years the United Kingdom has changed from a pipe smoking to a cigarette consuming country. In 1917, pipe tobacco comprised over 70 per cent. of the total consumption, cigarettes 24 per cent. and cigars 5 per cent. Now pipe tobacco is not more than 35 per cent. and cigars also have declined. United Kingdom now smokes more cigarettes per capita than any other country, the figure being 880 a year as against 678 in the United States and 303 for Canada.

The significance of the trend lies in the fact that cigarettes require a brighter leaf, of finer texture, than pipe tobacco. Empire tobaccos have in the past been more suitable for pipes than cigarettes. The Board says:

"Care of type and quality is of special importance in cigarette tobaccos, for in that section of the trade American competition is likely to remain severe, and the evidence shows that cigarette smokers appear to be more closely wedded to their favorite smokes than pipe smokers. Empire growers of cigarette tobacco have not merely to meet price competition from America, but must also persuade the British cigarette smoker that they can supply him with cigarettes of the type he likes. We are inclined, none the less, to think that a little too much has been made of the distinctive flavors of Empire grown tobaccos and of the conservatism of the cigarette smoker. Given enterprise and a little time, both can to some extent be changed. In a word, the flavor and the smoker may move toward one another. There are several instances on record of considerable changes of prevalent taste in relatively short periods. In the United Kingdom there has prevalent taste in relatively short pe- cigarette of Oriental to that of Virginian type. In South Africa cigarettes made from imported American leaf have been practically ousted by those made from local growth. There is a parallel change in progress, in the United States today, where cigarettes of blended tobaccos of Virginian and Turkish types are gaining ground at the expense of those of pure American. The prevalence of a taste for a particular tobacco is largely a matter of fashion, and fashions are notoriously changeable.

"It is, none the less, incumbent on the producer to endeavor to supply a tobacco to the British market which shall do least violence to established tastes, if only to shorten the distance through which the popular taste must travel in order to establish the new tobaccos in favour. Especially in Canada and Southern Rhodesia much progress has been made to this end, and with more study and greater knowledge of the problems connected with the culture, curing and maturing of tobacco more can still be achieved. Several brands of Empire cigarettes—either composed solely of tobacco from particular parts of the Empire or blended with tobaccos of other origin—have been placed on the British market with varying success. Some have established themselves, but others have flourished for a time and then fallen out. The recent action of the Imperial Tobacco Company in putting on the market a high grade Rhodesian cigarette should give encouragement to Rhodesian growers, for it indicates a confidence on the part of the manufacturer that the requisite supply of good quality will be forthcoming, as otherwise he would not be willing to go to the expense of establishing a new goodwill, but would rest content with exploiting the weli-known types."

Suggest Extended Research

This leads to the suggestion that still further research in tobacco growing is needed throughout the Empire. Proper restrictions upon production and improved marketing methods are also recommended.

The report says: "The greatest opportunity before Empire producers of tobacco for the United Kingdom market is in cigarette tobaccos.

Certain parts of the Empire are now specializing on cigarette tobacco, notably Southern Rhodesia, from which country 75 per cent. of the tobacco imported into the United Kingdom is now of cigarette type.

"Owing to initial successes, growers in several parts of the Empire, especially in those countries in which tobacco is grown for export, have been induced to produce crops in excess of the immediate demand as yet developed in the United Kingdom for their tobacco. It is necessary, therefore, that in the immediate future there should be come curtailment of planting in those countries, but this should not go too far, for manufacturers must be able to depend on a steady supply, and alternate gluts and scarcities prevent a continuous campaign to accustom the smoker to tobaccos from new sources.

"The chief requisite is a gradually increasing supply of high quality, and to this end we believe producers' organizations carefully conducted and taking the long view, can greatly contribute. A most important matter is that there should be uniformity of quality throughout the same package.

"While we think Empire tobaccos are now in many cases quite good enough to win a market on their own merits, efforts should not be relaxed to adapt their flavor to the established taste of the public, and to this end we recommend centralized investigation into the nature of 'aroma,' a matter which apparently is not yet understood by scientific men.

"Although cigar smoking has decreased of late in the United Kingdom we do not regard a limited revival as improbable, especially in the case of mild cigars. This is a matter of importance to Indian and North Borneo producers."

Estates Officer

LEE A. HAUN,
appointed estates officer of Canada Permanent Trust Company, Ontario Branch, Toronto.

CANADA BREAD CO. INCREASES PROFIT $4.50 PER SHARE

Substantial Progress Made in Face of Keenest Competition

With manufacturing profits 14 per cent. in advance of the previous year, Canada Bread Co. reports earnings of $17.80 per share on the 25,000 shares of common stock outstanding, compared with $13.32 in the previous year, ended June 30, 1927, and with $13.08 in the year ended June 30, 1926. Investment income also continues to grow and the company for the last year reports $8,574 as profit on securities sold. This growth is in the face of what is described as the keenest competition in the history of the industry.

Working capital shows some reduction, from $802,169 to $664,401, but Mark Bredin, the president, explains that this is due to the use of liquid resources in the purchase of the Whittaker Baking Co. of Brantford and the Butternut Bread Co. of Windsor. The company thus enters two new cities. The Border Cities especially, it is pointed out, are growing rapidly.

Manufacturing profits were $917,957 in the fiscal year 1928, compared with $802,803 in 1927 and $790,812 in 1926. After depreciation, there was remaining $708,145 available for dividends on the two classes of preferred and common, compared with $595,607 in 1927 and $589,615 in 1926. After dividends of $6 per share on the common, the surplus for the year was $295,645, compared with $208,107 the previous year and $127,115 in 1926.

Fixed Assets Higher

The principal changes in the balance sheet are reflections of the acquisition of the two new baking plants. Capital assets are up from $6,843,239, to $7,444,293. Investments in marketable securities are down from $501,407 to $268,723.

Canada Bread Co. was organized in 1911 and began business with plants only in Montreal, Toronto and Winnipeg. Thanks to the use of the motor vehicle, and the acquisition of additional plants, the company now is able to serve by its own wagons the following other cities and towns:

Ottawa, Hull, Hamilton, London, Galt, Border Cities, Brantford, Oshawa, Preston, St. Thomas, Stratford, Woodstock, Hespeler, Ingersoll, Richmond Hill, Aurora, Newmarket, Unionville, Markham, Agincourt, Pickering, Whitby, Lambton Mills, Islington, Streetsville, Erindale, Dixie, Long Branch, Cooksville, Clarkson, Oakville, Waterdown, Palermo, Bronte, Burlington, Dundas, St. Mary's, Vineland, Grimsby, Beamsville, Lachine, Pt. St. Charles, St. Lambert, Prescott, Cornwall, Carleton Place, Transcona, and St. Boniface.

Praise for Drivers

Mr. Bredin in his report has the following to say regarding the drivers, the men who come in contact with the consumers:

"To the many nice words of praise of the courtesy of our salesmen that we hear from our customers and shareholders, we attribute in no small degree the success of Canada Bread Co., and we here publicly express our thanks and appreciation to our whole staff for the continued evidence of their loyalty."

Following is the income and surplus account of Canada Bread for the last three years:

	1928 $	1927 $	1926 $
Revenue x ..	917,951	802,803	790,812
Invest. income	35,031	30,553	22,272
Profit on sale of Investment	8,574	......	......
Total :....	961,562	833,356	813,088
Depreciation	253,417	237,749	223,473
	708,145	595,607	589,615
Less Div.:			
1st pfd.	87,500	87,500	87,500
"B" pfd. ..	175,000	175,000	175,000
Com.	150,000	125,000	62.500
Surplus for yr.	295,645	208,107	127,115
Prev. surplus	1,500.991	1,292,884	1,165,769
	1.796,636	1,500,991	1,292,884
Com. earned per share ..	$17.80	$13.32	13.08

xAfter taxes and interest.

Canada Bread common currently is selling on the Toronto stock exchange at 152, which is only 8½ times earnings. Bread of similarly sound baking companies listed on the New York stock exchange sell normally at from twelve to thirteen times earnings.

Finds Post Best of Them All

The president and general manager of a large Ontario industrial corporation, with assets in the millions, writes to The Financial Post as follows:

> "During the past few months, I have, in addition to your paper, been reading a couple of other financial papers published in Canada and the United States, and I couldn't help thinking to-day when I looked over the last number that really there is no comparison between the good old Financial Post and any of the others that have come to my attention.
>
> "You have a way of putting up things which I believe appeals to the average investor or speculator, and your comments are not only sincere but based upon pretty definite knowledge."

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Canadian-Made Goods *First*

WHEN a foreign-made boiler is purchased in preference to a Canadian-made boiler, we know it is because of a seemingly better price, for on quality, Canadian boiler shops are equipped to beat the world in competition. But before a boiler purchase is made, *all* factors of cost should be carefully considered—not merely first cost.

Think of the delay occasioned in waiting for new castings or for repair parts that have to come from another country. Note, too, the price of these and how the initial saving at the time of installation is more than offset by costly delays, interruptions and general inconvenience.

The John Inglis Company, Limited, employing Canadian labor and Canadian capital, takes pride in its reputation for high-grade boilers. Fully equipped to manufacture engines, boilers, pumps, stacks, towers and all classes of machinery, we offer you the benefit of our 60 successful years in the business and we welcome every opportunity to demonstrate that our Canadian-made products are second to none at any price.

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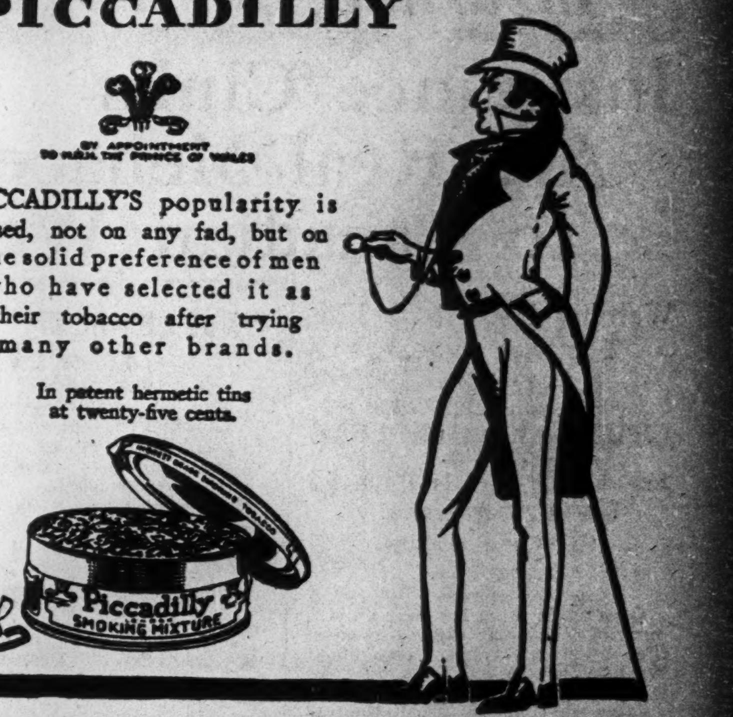

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BY APPOINTMENT TO H.R.H. THE PRINCE OF WALES
PICCADILLY'S popularity is based, not on any fad, but on the solid preference of men who have selected it as their tobacco after trying many other brands.
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$200,000
Quinte & Trent Valley Power Company, Limited
First Mortgage Thirty-Year Sinking Fund Gold Bonds
Series "A" 6%

Dated July 1st, 1925. Due July 1st, 1955.

Principal and semi-annual interest payable at par at any branch of the Standard Bank of Canada in Canada or at the Royal Bank of Canada in Halifax in Canadian Gold Coin. Coupon Bonds in denominations of $1,000, $500 and $100 each, registerable as to principal only. Redeemable in whole or in part on any interest date at the option of the Company on 60 days' notice at 104 until July 1st, 1931; at 103 thereafter until July 1st, 1937; at 102 until July 1st, 1943; at 101 until July 1st, 1949; at 100 until July 1st, 1955.

Trustee: The Chartered Trust & Executor Company, Toronto, Ont.

CAPITALIZATION

	Authorized	Issued and Outstanding
Thirty-Year First Mortgage Bonds (Series "A", 6%)............	$1,000,000	$600,000
7% Preferred Stock....................................	500,000	350,000
Common Stock No Par Value............................	10,000 shares	5,006 shares

Mr. J. G. G. Kerry, President of the Company, supplies the following information:—

BUSINESS AND PROPERTY

The Quinte and Trent Valley Power Co., Limited, incorporated by letters patent under the laws of the Province of Ontario, owns and operates hydro-electric power plants at Frankford and Campbellford, on the Trent River in Ontario, with installation capable of developing under full head, 4,000 h.p. These plants were completed in the midsummer of 1926 and have been in successful operation since that time.

Power is supplied under long-term contract to the Canadian Paperboard Company at both Frankford and Campbellford and also to the Frankford Electric Light Company.

The Quinte & Trent Valley Power Co., Limited, is the owner of all the shares, except directors' qualifying shares of a Company which has built a steam power plant at Toronto, adjacent to the new mills of the Canadian Paperboard Company. Here are installed high pressure steam boilers and turbines capable of developing about 3,000 h.p. Buildings for the full capacity of the plant have been erected and all the machinery with the exception of one turbine unit is installed. This plant will furnish both steam and electric power to the Canadian Paperboard Company under long-term lease. Operation will commence about September 1st, 1928.

SECURITY

The Bonds are secured, in the opinion of counsel, by a first mortgage on the Company's real and immovable property now owned or hereafter acquired and also by a floating charge upon all the other properties and assets of the Company.

In addition, all the issued shares, with the exception of the directors' qualifying shares, of the above mentioned Toronto Company have been deposited with the Trustee as additional security for the bonds of Quinte and Trent Valley Power Company, Limited. No securities other than common shares have been created or issued by the Toronto Company.

EARNINGS

Net earnings available for Bond interest, depreciation and income tax for the year ended December 31st, 1927, as certified by Auditors, were	$ 60,353.61
Earnings resulting from the building of the new plant in Toronto, based on long-term leases in force, should add to the yearly earnings about....	35,000.00
Making total earnings of...............	$ 95,353.61
Interest requirements on $600,000 First Mortgage Bonds (including present issue)	36,000.00

SINKING FUND

The Trust Deed provides for a Sinking Fund under which the Company pays to the Trustee on the first day of July in each year a sum equal to 1½ per cent. of the greatest amount of Bonds at any time outstanding, plus an amount equal to the annual interest on Bonds redeemed. In lieu of cash, Bonds of this issue may be deposited. All Bonds purchased or lodged with the Trustee for Sinking Fund purposes shall be cancelled and no Bonds issued in their place.

Legal details incident to this issue of bonds are being passed upon by Messrs. Kilmer, Irving and Davis, Toronto.

Price:—101½ and accrued interest to yield about 5.85 per cent.

JOHNSTON AND WARD
MEMBERS
MONTREAL STOCK EXCHANGE TORONTO STOCK EXCHANGE
ROYAL BANK BUILDING - - MONTREAL
HALIFAX SYDNEY MONCTON SHERBROOKE KINGSTON TORONTO
LONDON, ONT. ST. JOHN'S, NFLD. KITCHENER STRATFORD SAINT JOHN, N.B.
Private wires to all branches
The statements contained in this circular are not guaranteed, but are based on information which we believe reliable and on which we acted in purchasing these bonds.

Insurance for Buyer and Seller

Insurance Clubs Are Real Menace to Canadian West

Warning Needed as Life Societies Increase Activity

CRUDE AND OBSOLETE

Insurance Officials Have No Use For Actuarially Unsound Organizations

Once again there has been an outburst of activity among the so-called life insurance clubs throughout Western Canada, and from enquiries received by The Financial Post it is evident that active solicitation on behalf of this pernicious form of insurance is again underway.

What is a life insurance club?

It is nothing more or less than an assessment society, operated along the lines of the old-fashioned, crude fraternal groups which had such a bitter experience in Canada and the United States. It operates on a post-mortem basis, in other words there is a nominal "fee" of $2 per year, plus a $1 fee whenever a member dies. The face value of the protection offered is $5,000 for each member. That is to say the membership is 5,000, and whenever a member dies, the other 4,999 members contribute $1 each as their post-portem contribution. Here is a typical prospectus of a club incorporated in Manitoba in 1923.

President, J F. Davidson; Vice-president, F. T. Shipman; Manager and Sec.-treasurer, Geo. P. Campbell.

THE HONORARY SOCIETY OF
5,000 CLUB
Incorporated 1923
Head Office, 406 Avenue Block,
Winnipeg, Manitoba.

There are now a few more openings for new members in this Society Club. Our object is to protect each and every member beneficiary to the extent of $5,000.

Restrictions are age must be over 18 and not over 50.

This Society is kept up entirely by members themselves. In this way in the event of any member's death a levy form stating name and address and full particulars of deceased is sent to each and every member which must be returned to the above office with $1 enclosed inside of thirty days.

There is room here only for forty-six members. The first forty-six giving their names to S. R. Murray at the Victoria House will get in. Others wishing to become members will be placed on the waiting list until there is an opening for any new member here.

An initiation or entrance fee costs $9—$4 down and $5 inside of thirty days and each and every year after just $2 for membership fee and one dollar at any member's death. They have averaged six per year in the past seven years clear.

This Society's membership is limited to forty-six in each town for the purpose of overcoming an epidemic. If this was congested in any city or town and an epidemic came along it would take a larger death roll, but by taking this precaution it is going to overcome this question.

This is the ideal protection for married men and women. By both becoming members the husband making his policy over to his wife and the wife making her policy over to her husband, one has got to draw it in life, and this affords protection for the family.

Each member is issued a policy good for either sex inside age limit, inside of eight days.

This Society was incorporated by the government in 1923.

List of Deaths in the Past Seven Years Are As Follows

1927 Deaths were	Six
1926	Five
1925	Four
1924	Seven
1923	Nil
1922	Six
1921	Two
1920	Nine

Get Your Membership Now
S. R. MURRAY
Official Representative and Member

In official insurance circles, these societies are frowned on as thoroughly unsound. For instance, G. D. Finlayson, superintendent of insurance says of them:

Pass the Hat

"The system has all the evils of the old time 'pass the hat' fraternal system without the binding force which sometimes lent a measure of cohesion and stability to those actuarially unsound organizations. There is no valid excuse for the existence of these clubs, and the sooner they are discontinued the better. None of them have been in existence long enough in Canada to develop difficulties, but their disasters will come in the future if they are allowed to continue."

At the last annual conference of the Provincial Superintendents of Insurance, ways and means were discussed of making these societies operate on an actuarially sound basis.

Some time ago, an official statement regarding their operations was sent out from the superintendent's department at Ottawa, and the analysis of their contract is recorded below. It is interesting to note that the department offers concrete suggestions as to how the society can put itself on the right track, by merely charging rates sufficient to make its contract actuarially sound. Doubtless, the fact that this is not being done, is because if such rates were charged, the societies would find it very difficult, if not impossibe, to do business in competition with sound life insurance companies. In other words the appeal lies chiefly in the fallacy that one can get something for nothing.

The Crudest Form

"We do not know to what extent the organizers of the club informed themselves in regard to the history and experience of fraternal societies before deciding on the particular plan adopted, but we may tell you plainly that the method in which the club is doing business is one of the oldest and crudest forms of what is known as "assessmentism." Practically every fraternal society, except some few formed in recent years, began on the assessment basis. Although many of them collected more than sufficient in early years of their existence to pay current death claims, thus building up a sort of reserve fund to provide for the heavy mortality among members attaining the advanced ages in the future, yet every one of these societies without exception, has proved through bitter experience the unsoundness of the principles on which they were founded.

It is not too strong to say that fraternalism of this sort has been a veritable public scourge in Canada and in the United States in the past. A great many societies, in fact most of them, have in recent years by heroic efforts, that is to say by large increases in assessments or by reductions in benefits, or by both, succeeded in extricating themselves from the welter assessment of this sort had led to. In view of this it seems too bad that new societies should be founded to travel again the same weary road. Your club is yet young so that the faulty foundations may easily be put right without hardship to anyone if done now. What will happen if you go on as at present is written in the experience of fraternalism and is easy to find out.

Actual Mortality

For your encouragement we would say there is nothing difficult in doing what you want to do on a sure and safe basis. All that is required is to charge each member, monthly or at other fixed periods, rates sufficient to provide the benefits granted depending on the age of the member at entry. Any properly qualified actuary would have little difficulty in quoting rates appropriate for your club. That you may better appreciate the necessity for accumulating a proper reserve to provide against the heavy mortality with advancing years there is shown below in accordance with two tables of mortality the numbers who die in decennial years of age out of 1,000 living at the beginning of the year of age.

Year of Age	National Fraternal Congress Table	Canadian Life Companies
20 to 21	5	4
30 to 31	6	4
40 to 41	7	5
50 to 51	11	10
60 to 61	23	23
70 to 71	54	55
80 to 81	138	133
90 to 91	369	303

Adequate Rates

It may interest you to have some notion of what rates might reasonably be considered sufficient for your club. In the case of a society experiencing mortality the same as shown by the National Fraternal Congress Table, and earning four per cent. on its assets, the following monthly rates would provide $1,000 at death of each member, provision being made separately for expenses of administration.

Age at Entry	Monthly rate per $1,000 Insurance
20	$0.90
30	1.22
40	1.76
50	2.72
55	3.48

By charging each member the rate corresponding to the benefits granted to him as nearly as may be, the good work your club has in mind doing will not be impeded; on the contrary, it is the only sure and safe method of attaining the objects you have before you.

The above is tendered with the best of goodwill and in the hope it may lead the management to make such inquiry on their own account as to amply satisfy themselves concerning the right course to take for the future. However, we have no hesitation in telling you now that you are on the wrong road.

"Don't Shoot Yet" is Labor's View

From Our Own Correspondent

MONTREAL.—"Don't shoot now but wait," is the verdict of organized labor to the workmen's compensation plan which is about to go into effect in Quebec. At a meeting held here last week it was resolved:

"Whereas the commission on labor accidents is only preparing the work to be accomplished by the commission, and that the law is taking effect on September 1, and

"Whereas there is nothing absolutely definite yet as to the workings of the act, it is premature to take action on this subject:

"Your committee recommends that this question be left on the table to be taken up later, if necessary."

FIRE UNDERWRITERS PLAN NEW GROUP ACROSS PRAIRIES

Would Merge with Automobile Men in New Association

MEET SEPTEMBER 6

Plan Follows That Recently Adopted in British Columbia

The Western Canada Fire Underwriters' Association has sent to members for their consideration the proposed constitution of the Western Canada Insurance Underwriters' Association, whose organization will come up at the annual meeting of the Fire Underwriters' Association at Winnipeg, on September 6.

If the suggested plans are approved the new organization will be formed by the merger of the present Western Canada Fire Underwriters' Association and the automobile associations of Manitoba, Saskatchewan and Alberta and will have jurisdiction over fire insurance and its allied lines and also over automobile insurance in the three provinces named and also in the northwestern territories of Canada.

Similar to B. C.

The proposal is similar to the plan which was adopted in British Columbia some months ago. The general association has two divisions, one devoted to supervising fire insurance and the allied lines and the other to the supervision of automobile insurance. Each division has its chairman, vice-chairman and executive committee, while the general association has a joint committee, composed of the chairman, vice-chairmen and executive committees of the two divisions.

UNDERWEIGHT RISKS NOT CANCER HAZARD

But Overweights Very Susceptible According to Analysis

From Our Own Correspondent

MONTREAL.—Some valuable information regarding the susceptibility of overweight risks to cancer, is disclosed in figures compiled recently by the statistical bureau of the Metropolitan Life Insurance Co. The figures are available through the courtesy of the Union Central Life Insurance Co., as it was the risks admitted to this company that were analyzed.

The figures cover risks admitted between 1887 and 1908 and the observations were carried through to 1921. It was found that individuals who are 25 per cent. or more above the standard of weight for height and age, have an excess susceptibility of 29 per cent. to death by cancer. Those 15 per cent. to 25 per cent. overweight have a cancer death rate 24 per cent. in excess of the rate among those of normal or standard weight. Those only 5 per cent. to 15 per cent. above normal in weight, have a cancer death rate of 9 per cent. above those of standard weight. Those who are 5 per cent. to 15 per cent. underweight have a cancer death rate of 3 per cent above those of normal weight, but those who are from 15 per cent. to 50 per cent. under normal weight have a death rate from this disease 14 per cent. less than those of normal weight

Consolidated Laundries to Operate in Belleville

From Our Own Correspondent

MONTREAL. — The Consolidated Laundries Corporation of Canada, which was formed recently and acquired the Dominion Laundry Company of Montreal, is to erect a modern laundry plant in Belleville, Ontario to be under the supervision of Oswald A. Porritt, a well-known Belleville business man. Eventually the corporation intends to acquire further plants both in Montreal and in other cities of Canada. The capitalization consists of 100,000 shares of no par value common stock of which 20,000 shares have been issued to take care of its immediate expansions.

Life Insurance Sales in Canada*

	1923	1924	1925	1926	1927	1928
January	$28,108,000	$30,673,000	$30,838,000	$33,907,000	$36,986,000	$47,569,000
February	25,409,000	30,704,000	28,698,000	34,744,000	35,525,000	39,962,000
March	28,142,000	34,383,000	35,001,000	40,483,000	42,883,000	44,823,000
April	29,966,000	32,603,000	35,872,000	37,346,000	41,631,000	46,718,000
May	29,762,000	33,368,000	34,377,000	37,703,000	44,553,000	49,581,000
June	31,865,000	34,295,000	42,307,000	44,634,000	45,298,000	51,844,000
July	31,539,000	33,205,000	37,671,000	40,101,000	39,962,000	49,492,000
August	31,065,000	27,983,000	31,724,000	36,010,000	38,360,000	....
September	25,979,000	30,029,000	33,543,000	34,878,000	35,000,000	....
October	33,470,000	32,483,000	36,259,000	40,226,000	48,104,000	....
November	34,165,000	34,357,000	36,760,000	44,251,000	44,935,000	....
December	37,377,000	37,120,000	41,822,000	46,777,000	48,899,000	....

Total, 1928, seven months $329,989,000
Total, 1927, seven months 286,838,000

Increase 15% .... $ 43,151,000

*Companies having in force 84 per cent. of total outstanding business in Canada. New, ordinary business only. Figures by Life Insurance Sales Research Bureau, Hartford, Connecticut.

HOME INSURANCE HAS NOVEL PLAN FOR INVESTMENT

Holding Company Will Enable Quick Purchase of Companies

In view of the fact that it recently acquired the Halifax Fire Insurance Co., it is of interest to Canadian insurance investors that the Home Insurance Co. has authorized its officers to proceed with the formation of a holding company in order to provide facilities for immediate purchase of any insurance company that may become available. Stock in the new company will be offered share for share to present Home shareholders at $15 per share, but the Home itself will not hold any stock in the new company. It is proposed to have a capital of $1,800,000, divided into 180,000 shares of a par value of $10 each. This is the same number of shares as the Home Insurance Co. has, but its shares have a par value of $100 each.

The company will have a surplus of $900,000 and total assets of $2,700,000. As already stated, one of the chief purposes in organizing the holding company is to have at hand the facilities for buying quickly a company which might become available. None of the fire insurance companies affiliated with the Home is owned by that company, but a majority of the stock of each is owned by stockholders of the Home. When an additional company is acquired it is necessary to secure the cash with which to purchase the stock and the holding company's assets will be available for this purpose.

High Rates Coming in Massachusetts

From Our Own Correspondent

MONTREAL.—Casualty men who are following the unique Massachusetts experiment in compulsory automobile insurance rates, will be interested at the news that higher rates will be enforced in the state in 1929. Commissioner Monk makes this statement prior to the September hearing which will promulgate the 1929 schedule, and says that it is quite clear that in the first full year of the compulsory act, the companies have lost money. The pure premium loss ratio for the year was 68.7 per cent., and the actual loss ratio 78.66 per cent. The losses came largely through private passenger cars and motor cycles; taxicabs and trucks being profitable to the insurance companies.

Willards Chocolates Management Changes

J. D. Spackman is New Executive, Replacing E. G. Robinson

E. G. Robinson has resigned as a director and as secretary-treasurer of Willards Chocolates, Ltd. D. H. McDougall announces that John D. Spackman has been named managing director, Martin H. Toy, secretary, and John H. McCann, treasurer.

D. H. McDougall, liquidator of the Toronto Railway Co. and a director of the King Edward Hotel Co., became president of Willards Chocolates a few months ago. Other changes, it was said, were impending at that time. The Willard dairy, which was operated at a loss for a number of years, was sold to Carruthers-Silverwood.

Mutual of N.Y. Announce New Annuity Plan

The Mutual Life Insurance Co. of New York announces a new form of annuity designated as the "investment annuity," to give a lifelong income of reasonable amount and leave the principal practically intact.

This annuity will be issued upon male and female lives, without medical examination. It is purchased by single premium, and each $1,050 of purchase price will yield a guaranteed income of $35 a year, to which excess interest will be added.

This new annuity will have death refund value, loan and cash surrender privileges, and upon death or surrender may be settled under the company's optional modes of settlement.

The new annuity is offered as a solution of the problem of securing with absolute safety a fair yield upon a permanent investment. It meets all the requirements of the conservative investor.

Inks and Dyes Industry Advances, Figures Show

Production from the inks, dyes and colors industry in Canada during 1927 amounted to $3,221,677 or 14 per cent. above the value reported for 1926, according to a statement issued by the Dominion Bureau of Statistics at Ottawa.

Of the 30 plants in the industry 16 made printing inks and printers' rollers as their main products, 8 made writing inks, and 6 produced dyes and colors. By provinces, the distribution was as follows: 18 in Ontario, 6 in Quebec, 3 in British Columbia, 2 in Manitoba and 1 in New Brunswick.

Capital employed, including fixed assets and working capital, was $2,915,682; the number of employees was 455; materials cost $1,184,921, and the value added by manufacturing was $2,036,756.

Imports into Canada of dyeing and tanning materials during 1927 were valued at $3,886,163; imports of printing inks were worth $283,270; writing inks, $41,621; and mucilage and paste, $132,232.

Insurance Inklings

Northern Assurance Co., Ltd., and London and Scottish Assurance Corporation, Ltd., announce the addition to their Canadian board of W. R. Miller, of Montreal, who is senior member of the firm of Robert Moat & Co., members of the Montreal Stock Exchange.

The board is now constituted as follows: Messrs. H. B. Mackenzie, chairman; Norman J. Dawes, W. R. Miller, C. E. Neill and E. C. Pratt.

Additions have been made to the board of directors of the Trans-Canada Insurance Co. as follows: Hon. Narcisse Perodeau, Lieutenant-Governor of the province of Quebec; Armand Chaput, director, Banque Canadienne Nationale, and Victor Marchand, member, Quebec Legislative Assembly.

The Hartford Accident & Indemnity Co. has issued a new identification service card for the use of holders of its automobile policies.

Leading producers of the Guardian Life held a three-day convention at Montreal last week, the attendance consisting of over 200 members of the Leaders clubs together with their wives and families.

Ernest E. Ehlers, formerly assistant manager of casualty lines for the Travelers at Montreal, has been appointed manager. Mr. Ehlers has been with the company since 1915.

The Mutual Life Assurance Co. of Canada announces the appointment of E. Felix Thomas as district representative for Courtenay and Comox.

Announcement is made of the appointment of Alex. Andrews, well known in Brockville as the district representative for the Dominion Life Assurance Co. of Waterloo.

Hector McInnis, K.C., and H. R. Silver were appointed directors of the Halifax Fire Insurance Co. at a recent meeting of the board of directors.

V. J. McEvoy, general agent for the Confederation Life Association in Newcastle, N.B., is the winner of the contest held by the association in Northern New Brunswick during the months of May, June and July. The prize was offered to the agent obtaining the greatest production of life insurance during that time.

Lower Price Level Reduces Dollar Value Oil Products

Output of petroleum products from Canadian plants in 1927 was valued at $64,528,820, a decline of $6,700,000 from the figure reported for 1926, according to a statement just issued by the Dominion Bureau of Statistics at Ottawa. This production figure includes the output from 16 petroleum refineries valued at $63,979,849 and the production from 7 plants which compounded lubricating oils and greases worth $548,971.

Of the 16 refineries in operation, 4 were in Ontario, 4 in Alberta, 3 in British Columbia, 2 in Quebec and 1 in each of the provinces of Nova Scotia, Manitoba and Saskatchewan. Capital employed was given at $55,442,193; the average number of employees was 3,802; materials cost $52,743,530 and the value added by manufacturing was $11,236,319. Production of gasoline totalled 158,549,724 gallons of which 73,722,859 gallons were obtained by the cracking process. Final output of fuel and gas oils totalled 286,525,733 gallons of which 239,272,246 gallons were for sale and 47,253,487 gallons for use as fuel in the reporting plants; in addition it was reported that 206,639,272 gallons were made for use in cracking processes.

The number of employees, the wages and salaries paid and the cost of materials purchased all increased. Thus the lower level of prices is probably responsible for the apparent decline in production.

Larger Timber Cut

VICTORIA. — Exceeding the 1927 total by more than 200,000,000 feet, a total of 1,412,953,031 feet of timber has been cut in the Vancouver forestry district this year, according to the provincial government scalers. The total for the corresponding period last year was 1,212,481,404 feet.

Bridge Gets Contract

MONTREAL.—A contract for 1 tons of structural steel for use in the new Eaton departmental store in Toronto has been awarded to the Dominion Bridge Company, it is reported here. The new store is to be erected at College and Yonge Streets, Toronto and will cost upwards of $1,000,000 is stated. The contractors for the structure are the Dominion Bridge Company and MacGregor and McIntyr of Toronto.

The
PIONEER
INSURANCE COMPANY
Fire Insurance at Tariff Rates
Pres.—JAMES STEWART
Vice-Pres.—FRANK O. FOWLER
Ex-Mayor of Winnipeg
Sec.-Treas.—J. H. FACHE
Head Office
WINNIPEG - MANITOBA

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$94,000,000.00
Policies Issued from $1,000 to $5,000
G. E. BAILEY, Secretary — W. H. HUNTER, President — ALEX. STEWART, Treasurer

"The Stock Company that pays Policyholder Dividends"
GENERAL
INSURANCE COMPANY
OF AMERICA
Total Assets — $5,516,000
Manager for Canada—Norman S. Jones, Hamilton, Ont.

The
CANADA NATIONAL FIRE
INSURANCE COMPANY
Head Office - Winnipeg, Man.
E. F. HUTCHINGS, *President.*
HENRY SANDISON, *1st Vice-President and Managing Director.*
T. S. MCPHERSON, *2nd Vice-President.*
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Pension Funds Organized and Valued
Equipped with Hollerith Sorting and Tabulating Machines
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To Assist You In Making Your Will
We have prepared some very interesting literature in descriptive form which is now ready for distribution. It contains much information of value to those contemplating this important duty.
A copy will be forwarded, without obligation, upon request.
THE STERLING TRUSTS CORPORATION
10-12 East King St., TORONTO
Branch:—REGINA

"AND FOLLIES ARE MISCALLED FATE"
"... but, with the estate wound up, little remains for the widow with which to keep the home together. The pity is there's no life insurance."
How often is the folly of the uninsured miscalled Fate!
Enquire Today
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HEAD OFFICE · TORONTO

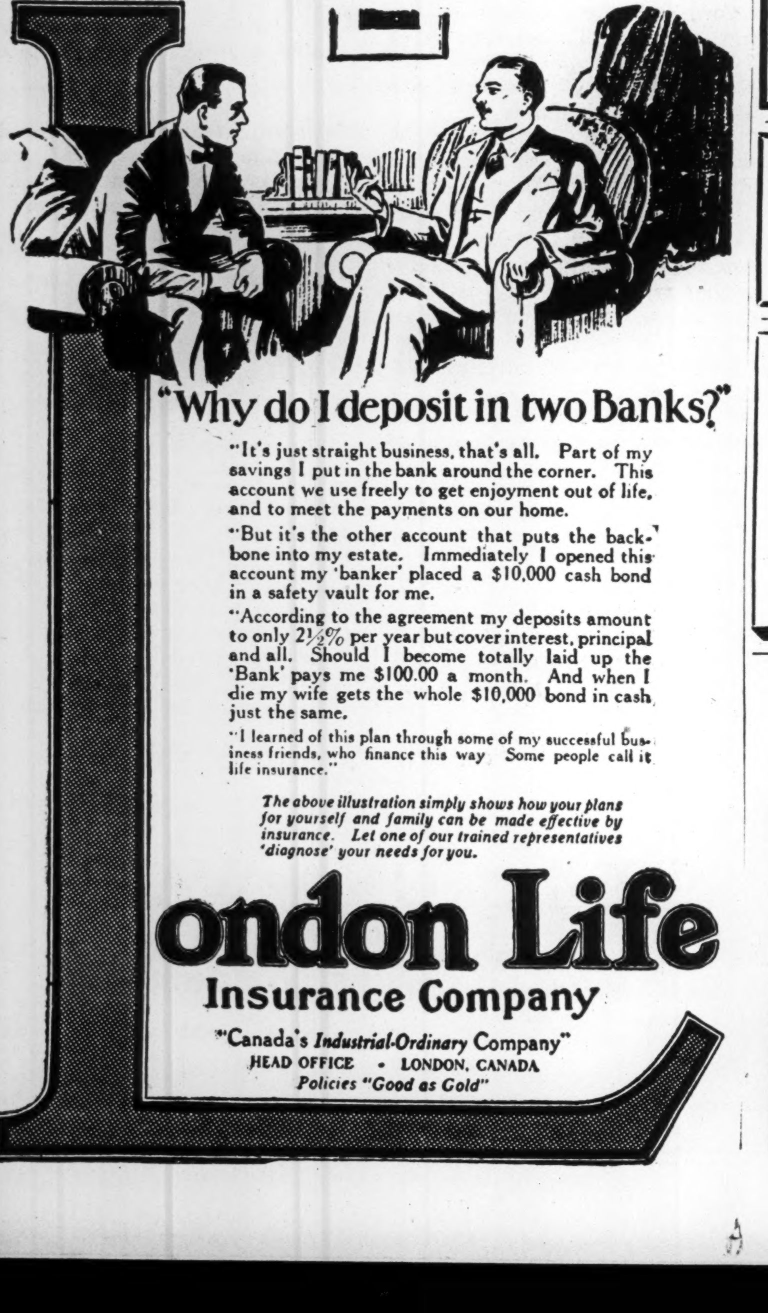
The
ROYAL TRUST
COMPANY
EXECUTORS and TRUSTEES

MILL OWNERS MUTUAL FIRE INSURANCE COMPANY
OF IOWA
Assets, $2,606,712.91
Surplus Assets, $1,200,000. 53 Years Old.
Policyholders' Dividend Rate, 25% to 30%.
SENECA JONES & SON HAMILTON, ONT.—Canadian General Agents

THE ONTARIO LOAN AND DEBENTURE CO.
LONDON — 58 years in business — CANADA
Capital, paid-up, $1,750,000 — Reserve Fund, $2,800,000
The Company's Debentures are a legal investment for Trust Funds which may also be deposited in the Company's Savings Department.
Money loaned on First Mortgages including building loans. Applications invited.
A. M. SMART, *President* — T. H. MAIN, *Manager*

NORTHWESTERN MUTUAL
FIRE ASSOCIATION
SEATTLE, WASHINGTON
Assets $4,026,244.79
HEAD OFFICE FOR CANADA—HAMILTON, ONTARIO
Branch Offices:
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Saskatoon, Calgary, Winnipeg, Montreal, Saint John, Halifax, and Charlottetown.
Writing Fire Insurance at Cost
ALL POLICIES DIVIDEND-PAYING AND NON-ASSESSABLE

TOTAL ASSETS EXCEEDING 2¼ BILLIONS OF DOLLARS
INSURANCE IN FORCE EXCEEDING 14¾ BILLIONS OF DOLLARS
More Policyholders, More Insurance in Force in Canada than any other Company—
With 2,467,977 policies in force in Canada, covering $769,114,229 insurance; and $153,194,442 invested within our boundaries, METROPOLITAN LIFE plays an increasingly important role in the economic life of the Dominion.
CANADIAN HEAD OFFICE :: :: OTTAWA
Metropolitan Life
Insurance Co.



"Why do I deposit in two Banks?"
"It's just straight business, that's all. Part of my savings I put in the bank around the corner. This account we use freely to get enjoyment out of life, and to meet the payments on our home.
"But it's the other account that puts the backbone into my estate. Immediately I opened this account my 'banker' placed a $10,000 cash bond in a safety vault for me.
"According to the agreement my deposits amount to only 2½% per year but cover interest, principal and all. Should I become totally laid up the 'Bank' pays me $100.00 a month. And when I die my wife gets the whole $10,000 bond in cash just the same.
"I learned of this plan through some of my successful business friends, who finance this way. Some people call it life insurance."
The above illustration simply shows how your plans for yourself and family can be made effective by insurance. Let one of our trained representatives 'diagnose' your needs for you.
London Life
Insurance Company
"Canada's *Industrial-Ordinary* Company"
HEAD OFFICE - LONDON, CANADA
Policies "Good as Gold"

A Steadily Expanding Financial Institution
THE ONTARIO EQUITABLE
increases its Capital Stock, giving shareholders right to subscribe for one additional share for each four shares held

THE remarkable progress of the Ontario Equitable Life during the past eight years and its growth into a financial institution of very considerable force, are shown by a glance at its present standing compared with that of its first year.

Year	Insurance in Force	Assets	Policy Reserves
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To facilitate the carrying out of this program the Company is adding to its Capital and Surplus, by allowing the Shareholders of record on August 15th, 1928, to subscribe for one share of new stock for each four held at the price of $112.50 per share, the sum of $22.50 to be paid on each share ($10 being the payment upon the par value of the stock, and the remaining $12.50 as premium).

The right to subscribe expires on September 15th. Shareholders will be mailed subscription warrants about August 15th, by Chartered Trust and Executor Company, Toronto, our Transfer Agent and Registrar. The Ontario Equitable will neither buy, sell, nor adjust "rights," but the Manager of the Company will endeavour to arrange the sale or purchase of fractional warrants for those who so desire.

The Company has 1,500 Shareholders in all parts of Canada and Newfoundland, whose interest in its plans is indicated by the fact that 75% of the outstanding shares were represented at the special general meeting to decide increasing its capital structure.

THE ONTARIO EQUITABLE
LIFE AND ACCIDENT INSURANCE COMPANY
S. C. TWEED, President
HEAD OFFICE — WATERLOO, ONTARIO

Insurance for Buyer and Seller

Insurance Clubs Are Real Menace to Canadian West

Warning Needed as Life Societies Increase Activity

CRUDE AND OBSOLETE

Insurance Officials Have No Use For Actuarially Unsound Organizations

Once again there has been an outburst of activity among the so-called life insurance clubs throughout Western Canada, and from enquiries received by The Financial Post it is evident that active solicitation on behalf of this pernicious form of insurance is again underway.

What is a life insurance club?

It is nothing more or less than an assessment society, operated along the lines of the old-fashioned, crude fraternal groups which had such a bitter experience in Canada and the United States. It operates on a post-mortem basis, in other words there is a nominal "fee" of $2 per year, plus a $1 fee whenever a member dies. The face value of the protection offered is $5,000 for each member. That is to say the membership is 5,000, and whenever a member dies, the other 4,999 members contribute $1 each as their post-portem contribution. Here is a typical prospectus of a club incorporated in Manitoba in 1923.

President, J F. Davidson; Vice-president, F. T. Shipman; Manager and Sec.-treasurer, Geo. P. Campbell.

THE HONORARY SOCIETY OF 5,000 CLUB
Incorporated 1923
Head Office, 406 Avenue Block, Winnipeg, Manitoba.

There are now a few more openings for new members in this Society Club. Our object is to protect each and every member beneficiary to the extent of $5,000.

Restrictions are age must be over 18 and not over 50.

This Society is kept up entirely by members themselves. In this way in the event of any member's death a levy form stating name and address and full particulars of deceased is sent to each and every member which must be returned to the above office with $1 enclosed inside of thirty days.

There is room here only for forty-six members. The first forty-six giving their names to S. R. Murray at the Victoria House will get in. Others wishing to become members will be placed on the waiting list until there is an opening for any new member here.

An initiation or entrance fee costs $9—$4 down and $5 inside of thirty days and each and every year after just $2 for membership fee and one dollar at any member's death. They have averaged six per year in the past seven years clear.

This Society's membership is limited to forty-six in each town for the purpose of overcoming an epidemic. If this was congested in any city or town and an epidemic came along it would take a larger death roll, but by taking this precaution it is going to overcome this question.

This is the ideal protection for married men and women. By both becoming members the husband making his policy over to his wife and the wife making her policy over to her husband, one has got to draw it in life, and this affords protection for the family.

Each member is issued a policy good for either sex inside age limit, inside of eight days.

This Society was incorporated by the government in 1923.

List of Deaths in the Past Seven Years Are As Follows

1927 Deaths were	Six
1926	Five
1925	Four
1924	Seven
1923	Nil
1922	Six
1921	Two
1920	Nine

Get Your Membership Now
S. R. MURRAY
Official Representative and Member

In official insurance circles, these societies are frowned on as thoroughly unsound. For instance, G. D. Finlayson, superintendent of insurance says of them:

Pass the Hat

"The system has all the evils of the old time 'pass the hat' fraternal system without the binding force which sometimes lent a measure of cohesion and stability to those actuarially unsound organizations. There is no valid excuse for the existence of these clubs, and the sooner they are discontinued the better. None of them have been in existence long enough in Canada to develop difficulties, but their disasters will come in the future if they are allowed to continue."

At the last annual conference of the Provincial Superintendents of Insurance, ways and means were discussed of making these societies operate on an actuarially sound basis.

Some time ago, an official statement regarding their operations was sent out from the superintendent's department at Ottawa, and the analysis of their contract is recorded below. It is interesting to note that the department offers concrete suggestions as to how the society can put itself on the right track, by merely charging rates sufficient to make its contract actuarially sound. Doubtless, the fact that this is not being done, is because if such rates were charged, the societies would find it very difficult, if not impossibe, to do business in competition with sound life insurance companies. In other words the appeal lies chiefly in the fallacy that one can get something for nothing.

The Crudest Form

"We do not know to what extent the organizers of the club informed themselves in regard to the history and experience of fraternal societies before deciding on the particular plan adopted, but we may tell you plainly that the method in which the club is doing business is one of the oldest and crudest forms of what is known as "assessmentism." Practically every fraternal society, except some few formed in recent years, began on the assessment basis. Although many of them collected more than sufficient in early years of their existence to pay current death claims, thus building up a sort of reserve fund to provide for the heavy mortality among members attaining the advanced ages in the future, yet every one of these societies without exception, has proved through bitter experience the unsoundness of the principles on which they were founded.

It is not too strong to say that fraternalism of this sort has been a veritable public scourge in Canada and in the United States in the past. A great many societies, in fact most of them, have in recent years by heroic efforts, that is to say by large increases in assessments or by reductions in benefits, or by both, succeeded in extricating themselves from the welter assessment of this sort had led to. In view of this it seems too bad that new societies should be founded to travel again the same weary road. Your club is yet young so that the faulty foundations may easily be put right without hardship to anyone if done now. What will happen if you go on as at present is written in the experience of fraternalism and is easy to find out.

Actual Mortality

For your encouragement we would say there is nothing difficult in doing what you want to do on a sure and safe basis. All that is required is to charge each member, monthly or at other fixed periods, rates sufficient to provide the benefits granted depending on the age of the member at entry. Any properly qualified actuary would have little difficulty in quoting rates appropriate for your club. That you may better appreciate the necessity for accumulating a proper reserve to provide against the heavy mortality with advancing years there is shown below in accordance with two tables of mortality the numbers who die in decennial years of age out of 1,000 living at the beginning of the year of age.

Year of Age	National Fraternal Congress Table	Canadian Life Companies
20 to 21	5	4
30 to 31	6	4
40 to 41	7	5
50 to 51	11	10
60 to 61	23	23
70 to 71	54	55
80 to 81	138	133
90 to 91	369	303

Adequate Rates

It may interest you to have some notion of what rates might reasonably be considered sufficient for your club. In the case of a society experiencing mortality the same as shown by the National Fraternal Congress Table, and earning four per cent. on its assets, the following monthly rates would provide $1,000 at death of each member, provision being made separately for expenses of administration.

Age at Entry	Monthly rate per $1,000 Insurance
20	$0.90
30	1.22
40	1.76
50	2.72
55	3.48

By charging each member the rate corresponding to the benefits granted to him as nearly as may be, the good work your club has in mind doing will not be impeded; on the contrary, it is the only sure and safe method of attaining the objects you have before you.

The above is tendered with the best of goodwill and in the hope it may lead the management to make such inquiry on their own account as to amply satisfy themselves concerning the right course to take for the future. However, we have no hesitation in telling you now that you are on the wrong road.

"Don't Shoot Yet" is Labor's View

From Our Own Correspondent

MONTREAL.—"Don't shoot now but wait," is the verdict of organized labor to the workmen's compensation plan which is about to go into effect in Quebec. At a meeting held here last week it was resolved:

"Whereas the commission on labor accidents is only preparing the work to be accomplished by the commission, and that the law is taking effect on September 1, and

"Whereas there is nothing absolutely definite yet as to the workings of the act, it is premature to take action on this subject:

"Your committee recommends that this question be left on the table to be taken up later, if necessary."

FIRE UNDERWRITERS PLAN NEW GROUP ACROSS PRAIRIES

Would Merge with Automobile Men in New Association

MEET SEPTEMBER 6

Plan Follows That Recently Adopted in British Columbia

The Western Canada Fire Underwriters' Association has sent to members for their consideration the proposed constitution of the Western Canada Insurance Underwriters' Association, whose organization will come up at the annual meeting of the Fire Underwriters' Association at Winnipeg, on September 6.

If the suggested plans are approved the new organization will be formed by the merger of the present Western Canada Fire Underwriters' Association and the automobile associations of Manitoba, Saskatchewan and Alberta and will have jurisdiction over fire insurance and its allied lines and also over automobile insurance in the three provinces named and also in the northwestern territories of Canada.

Similar to B. C.

The proposal is similar to the plan which was adopted in British Columbia some months ago. The general association has two divisions, one devoted to supervising fire insurance and the allied lines and the other to the supervision of automobile insurance. Each division has its chairman, vice-chairman and executive committee, while the general association has a joint committee, composed of the chairman, vice-chairmen and executive committees of the two divisions.

UNDERWEIGHT RISKS NOT CANCER HAZARD

But Overweights Very Susceptible According to Analysis

From Our Own Correspondent

MONTREAL.—Some valuable information regarding the susceptibility of overweight risks to cancer, is disclosed in figures compiled recently by the statistical bureau of the Metropolitan Life Insurance Co. The figures are available through the courtesy of the Union Central Life Insurance Co., as it was the risks admitted to this company that were analyzed.

The figures cover risks admitted between 1887 and 1908 and the observations were carried through to 1921. It was found that individuals who are 25 per cent. or more above the standard of weight for height and age, have an excess susceptibility of 29 per cent. to death by cancer. Those 15 per cent. to 25 per cent. overweight have a cancer death rate 24 per cent. in excess of the rate among those of normal or standard weight. Those only 5 per cent. to 15 per cent. above normal in weight, have a cancer death rate of 9 per cent. above those of standard weight. Those who are 5 per cent. to 15 per cent. underweight have a cancer death rate of 3 per cent above those of normal weight, but those who are from 15 per cent. to 50 per cent. under normal weight have a death rate from this disease 14 per cent. less than those of normal weight

Consolidated Laundries to Operate in Belleville

From Our Own Correspondent

MONTREAL. — The Consolidated Laundries Corporation of Canada, which was formed recently and acquired the Dominion Laundry Company of Montreal, is to erect a modern laundry plant in Belleville, Ontario to be under the supervision of Oswald A. Porritt, a well-known Belleville business man. Eventually the corporation intends to acquire further plants both in Montreal and in other cities of Canada. The capitalization consists of 100,000 shares of no par value common stock of which 20,000 shares have been issued to take care of its immediate expansions.

Life Insurance Sales in Canada*

	1923	1924	1925	1926	1927	1928
January	$28,108,000	$30,673,000	$30,838,000	$33,907,000	$36,986,000	$47,569,000
February	25,409,000	30,704,000	28,698,000	34,744,000	35,525,000	39,962,000
March	28,142,000	34,383,000	35,001,000	40,483,000	42,883,000	44,823,000
April	29,966,000	32,603,000	35,872,000	37,346,000	41,631,000	46,718,000
May	29,762,000	33,368,000	34,377,000	37,703,000	44,553,000	49,581,000
June	31,865,000	34,295,000	42,307,000	44,634,000	45,298,000	51,844,000
July	31,539,000	33,205,000	37,671,000	40,101,000	39,962,000	49,492,000
August	31,065,000	27,983,000	31,724,000	36,010,000	38,360,000	....
September	25,979,000	30,029,000	33,543,000	34,878,000	35,000,000	....
October	33,470,000	32,483,000	36,259,000	40,226,000	48,104,000	....
November	34,165,000	34,357,000	36,760,000	44,251,000	44,935,000	....
December	37,377,000	37,120,000	41,822,000	46,777,000	48,899,000	....

Total, 1928, seven months $329,989,000
Total, 1927, seven months 286,838,000

Increase 15% .... $ 43,151,000

*Companies having in force 84 per cent. of total outstanding business in Canada. New, ordinary business only. Figures by Life Insurance Sales Research Bureau, Hartford, Connecticut.

HOME INSURANCE HAS NOVEL PLAN FOR INVESTMENT

Holding Company Will Enable Quick Purchase of Companies

In view of the fact that it recently acquired the Halifax Fire Insurance Co., it is of interest to Canadian insurance investors that the Home Insurance Co. has authorized its officers to proceed with the formation of a holding company in order to provide facilities for immediate purchase of any insurance company that may become available. Stock in the new company will be offered share for share to present Home shareholders at $15 per share, but the Home itself will not hold any stock in the new company. It is proposed to have a capital of $1,800,000, divided into 180,000 shares of a par value of $10 each. This is the same number of shares as the Home Insurance Co. has, but its shares have a par value of $100 each.

The company will have a surplus of $900,000 and total assets of $2,700,000. As already stated, one of the chief purposes in organizing the holding company is to have at hand the facilities for buying quickly a company which might become available. None of the fire insurance companies affiliated with the Home is owned by that company, but a majority of the stock of each is owned by stockholders of the Home. When an additional company is acquired it is necessary to secure the cash with which to purchase the stock and the holding company's assets will be available for this purpose.

High Rates Coming in Massachusetts

From Our Own Correspondent

MONTREAL.—Casualty men who are following the unique Massachusetts experiment in compulsory automobile insurance rates, will be interested at the news that higher rates will be enforced in the state in 1929. Commissioner Monk makes this statement prior to the September hearing which will promulgate the 1929 schedule, and says that it is quite clear that in the first full year of the compulsory act, the companies have lost money. The pure premium loss ratio for the year was 68.7 per cent., and the actual loss ratio 78.66 per cent. The losses came largely through private passenger cars and motor cycles; taxicabs and trucks being profitable to the insurance companies.

Willards Chocolates Management Changes

J. D. Spackman is New Executive, Replacing E. G. Robinson

E. G. Robinson has resigned as a director and as secretary-treasurer of Willards Chocolates, Ltd. D. H. McDougall announces that John D. Spackman has been named managing director, Martin H. Toy, secretary, and John H. McCann, treasurer.

D. H. McDougall, liquidator of the Toronto Railway Co. and a director of the King Edward Hotel Co., became president of Willards Chocolates a few months ago. Other changes, it was said, were impending at that time. The Willard dairy, which was operated at a loss for a number of years, was sold to Carruthers-Silverwood.

Mutual of N.Y. Announce New Annuity Plan

The Mutual Life Insurance Co. of New York announces a new form of annuity designated as the "investment annuity," to give a lifelong income of reasonable amount and leave the principal practically intact.

This annuity will be issued upon male and female lives, without medical examination. It is purchased by single premium, and each $1,050 of purchase price will yield a guaranteed income of $35 a year, to which excess interest will be added.

This new annuity will have death refund value, loan and cash surrender privileges, and upon death or surrender may be settled under the company's optional modes of settlement.

The new annuity is offered as a solution of the problem of securing with absolute safety a fair yield upon a permanent investment. It meets all the requirements of the conservative investor.

Inks and Dyes Industry Advances, Figures Show

Production from the inks, dyes and colors industry in Canada during 1927 amounted to $3,221,677 or 14 per cent. above the value reported for 1926, according to a statement issued by the Dominion Bureau of Statistics at Ottawa.

Of the 30 plants in the industry 16 made printing inks and printers' rollers as their main products, 8 made writing inks, and 6 produced dyes and colors. By provinces, the distribution was as follows: 18 in Ontario, 6 in Quebec, 3 in British Columbia, 2 in Manitoba and 1 in New Brunswick.

Capital employed, including fixed assets and working capital, was $2,915,682; the number of employees was 455; materials cost $1,184,921, and the value added by manufacturing was $2,036,756.

Imports into Canada of dyeing and tanning materials during 1927 were valued at $3,886,163; imports of printing inks were worth $283,270; writing inks, $41,621; and mucilage and paste, $132,232.

Insurance Inklings

Northern Assurance Co., Ltd., and London and Scottish Assurance Corporation, Ltd., announce the addition to their Canadian board of W. R. Miller, of Montreal, who is senior member of the firm of Robert Moat & Co., members of the Montreal Stock Exchange.

The board is now constituted as follows: Messrs. H. B. Mackenzie, chairman; Norman J. Dawes, W. R. Miller, C. E. Neill and E. C. Pratt.

Additions have been made to the board of directors of the Trans-Canada Insurance Co. as follows: Hon. Narcisse Perodeau, Lieutenant-Governor of the province of Quebec; Armand Chaput, director, Banque Canadienne Nationale, and Victor Marchand, member, Quebec Legislative Assembly.

The Hartford Accident & Indemnity Co. has issued a new identification service card for the use of holders of its automobile policies.

Leading producers of the Guardian Life held a three-day convention at Montreal last week, the attendance consisting of over 200 members of the Leaders clubs together with their wives and families.

Ernest E. Ehlers, formerly assistant manager of casualty lines for the Travelers at Montreal, has been appointed manager. Mr. Ehlers has been with the company since 1915.

The Mutual Life Assurance Co. of Canada announces the appointment of E. Felix Thomas as district representative for Courtenay and Comox.

Announcement is made of the appointment of Alex. Andrews, well known in Brockville as the district representative for the Dominion Life Assurance Co. of Waterloo.

Hector McInnis, K.C., and H. R. Silver were appointed directors of the Halifax Fire Insurance Co. at a recent meeting of the board of directors.

V. J. McEvoy, general agent for the Confederation Life Association in Newcastle, N.B., is the winner of the contest held by the association in Northern New Brunswick during the months of May, June and July. The prize was offered to the agent obtaining the greatest production of life insurance during that time.

Lower Price Level Reduces Dollar Value Oil Products

Output of petroleum products from Canadian plants in 1927 was valued at $64,528,820, a decline of $6,700,000 from the figure reported for 1926, according to a statement just issued by the Dominion Bureau of Statistics at Ottawa. This production figure includes the output from 16 petroleum refineries valued at $63,979,849 and the production from 7 plants which compounded lubricating oils and greases worth $548,971.

Of the 16 refineries in operation, 4 were in Ontario, 4 in Alberta, 3 in British Columbia, 2 in Quebec and 1 in each of the provinces of Nova Scotia, Manitoba and Saskatchewan. Capital employed was given at $55,442,193; the average number of employees was 3,802; materials cost $52,743,530 and the value added by manufacturing was $11,236,319. Production of gasoline totalled 158,549,724 gallons of which 73,722,859 gallons were obtained by the cracking process. Final output of fuel and gas oils totalled 286,525,733 gallons of which 239,272,246 gallons were for sale and 47,253,487 gallons for use as fuel in the reporting plants; in addition it was reported that 206,639,272 gallons were made for use in cracking processes.

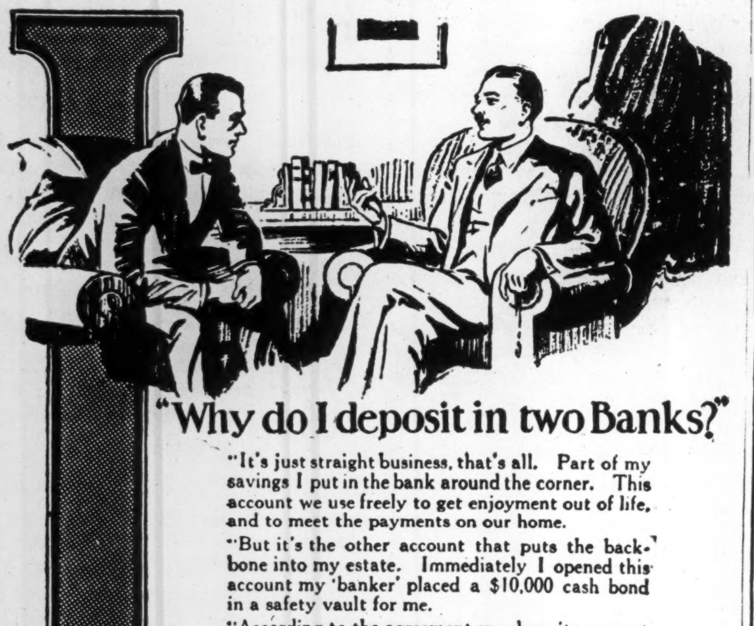
The number of employees, the wages and salaries paid and the cost of materials purchased all increased. Thus the lower level of prices is probably responsible for the apparent decline in production.

Larger Timber Cut

VICTORIA. — Exceeding the 1927 total by more than 200,000,000 feet, a total of 1,412,953,031 feet of timber has been cut in the Vancouver forestry district this year, according to the provincial government scalers. The total for the corresponding period last year was 1,212,481,404 feet.

Bridge Gets Contract

MONTREAL.—A contract for 1 tons of structural steel for use in new Eaton departmental store in To ronto has been awarded to the Dom ion Bridge Company, it is repor here. The new store is to be erec at College and Yonge Streets, Toron and will cost upwards of $1,000,0 is stated. The contractors for structure are the Dominion Bri Company and MacGregor and McInt of Toronto.



"Why do I deposit in two Banks?"

"It's just straight business, that's all. Part of my savings I put in the bank around the corner. This account we use freely to get enjoyment out of life, and to meet the payments on our home.

"But it's the other account that puts the backbone into my estate. Immediately I opened this account my 'banker' placed a $10,000 cash bond in a safety vault for me.

"According to the agreement my deposits amount to only 2½% per year but cover interest, principal and all. Should I become totally laid up the 'Bank' pays me $100.00 a month. And when I die my wife gets the whole $10,000 bond in cash just the same.

"I learned of this plan through some of my successful business friends, who finance this way Some people call it life insurance."

The above illustration simply shows how your plans for yourself and family can be made effective by insurance. Let one of our trained representatives 'diagnose' your needs for you.

London Life
Insurance Company
"Canada's *Industrial-Ordinary* Company"
HEAD OFFICE - LONDON, CANADA
Policies "Good as Gold"

BRITISH EMPIRE ASSURANCE COMPANY
FIRE · MARINE · AUTOMOBILE · ACCIDENT · SICKNESS · BURGLARY · GUARANTEE
HEAD OFFICE · TORONTO

The
ROYAL TRUST
COMPANY
EXECUTORS *and* TRUSTEES

Pension Funds Organized and Valued
Equipped with Hollerith Sorting and Tabulating Machines
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Qualified Actuaries and Statisticians
1711-1712 Metropolitan Bldg., Toronto

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To Assist You In Making Your Will

We have prepared some very interesting literature in descriptive form which is now ready for distribution. It contains much information of value to those contemplating this important duty.

A copy will be forwarded, without obligation, upon request.

THE
STERLING TRUSTS CORPORATION
10-12 East King St., TORONTO
Branch:—REGINA

MILL OWNERS MUTUAL FIRE INSURANCE COMPANY
OF IOWA
Assets, $2,606,712.91
Surplus Assets, $1,200,000. 53 Years Old.
Policyholders' Dividend Rate, 25% to 30%.
SENECA JONES & SON HAMILTON, ONT.—Canadian General Agents

THE ONTARIO LOAN AND DEBENTURE CO.
LONDON 58 years in business CANADA
Capital, paid-up, $1,750,000 Reserve Fund, $2,800,000
The Company's Debentures are a legal investment for Trust Funds which may also be deposited in the Company's Savings Department.
Money loaned on First Mortgages including building loans. Applications invited.
A. M. SMART, *President* T. H. MAIN, *Manager*

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE, WASHINGTON
Assets $4,026,244.79
HEAD OFFICE FOR CANADA—HAMILTON, ONTARIO
Branch Offices:
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Saskatoon, Calgary, Winnipeg, Montreal, Saint John, Halifax, and Charlottetown.
Writing Fire Insurance at Cost
ALL POLICIES DIVIDEND-PAYING AND NON-ASSESSABLE

TOTAL ASSETS EXCEEDING 2¼ BILLIONS OF DOLLARS
INSURANCE IN FORCE EXCEEDING 14¾ BILLIONS OF DOLLARS
More Policyholders, More Insurance in Force in Canada than any other Company—
With 2,467,977 policies in force in Canada, covering $769,114,229 insurance; and $153,194,442 invested within our boundaries, Metropolitan Life plays an increasingly important role in the economic life of the Dominion.
CANADIAN HEAD OFFICE :: :: OTTAWA
Metropolitan Life Insurance Co.

The
PIONEER
INSURANCE COMPANY
Fire Insurance at Tariff Rates
Pres.—JAMES STEWART
Vice-Pres.—FRANK O. FOWLER
Ex-Mayor of Winnipeg
Sec.-Treas.—J. H. FACHE
Head Office
WINNIPEG - MANITOBA

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$94,000,000.00
Policies Issued from $1,000 to $5,000
G. E. BAILEY Secretary W. H. HUNTER President ALEX. STEWART Treasurer

"The Stock Company that pays Policyholder Dividends"
GENERAL
INSURANCE COMPANY
OF AMERICA
Total Assets — $5,516,000
Manager for Canada—Norman S. Jones, Hamilton, Ont.

The
CANADA NATIONAL FIRE
INSURANCE COMPANY
Head Office - Winnipeg, Man.
E. F. HUTCHINGS, *President.*
HENRY SANDISON, *1st Vice-President and Managing Director.*
T. S. MCPHERSON, *2nd Vice-President.*
Applications for Agencies Invited

"AND FOLLIES ARE MISCALLED FATE"

" . . . but, with the estate wound up, little remains for the widow with which to keep the home together. The pity is there's no life insurance."

How often is the folly of the uninsured miscalled Fate!

Enquire Today

THE
MANUFACTURERS LIFE
INSURANCE COMPANY,
HEAD OFFICE . . TORONTO, CANADA

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LIFE AND ACCIDENT INSURANCE COMPANY
S. C. TWEED, President
HEAD OFFICE WATERLOO, ONTARIO

Current Events in Banking World

TRAVEL CHEQUES OVERCOME NEED TO DEFEND MONEY

Canadians Often Offended When Americans Refuse Own Bills

Until the Canadian and American public are educated sufficiently to recognize that merely having the same names does not make currency and coins of equal value on both sides of the boundary line there will be disputes. It is not so much the amount involved in any of these transactions that causes the trouble but that the patriotic feelings of the visitor in either country are hurt because of the supposed slight offered the country whose currency he offers.

If the names were different the dispute would not so easily arise, as each would recognize that the money of his country would have to be valued in terms of the other currency, and be exchanged for it, in order to make purchases in the country he visits. When the names of the coins and currency are the same in both countries, however, he cannot see this.

Complaints Are Heard

Just now we hear many complaints from Canadians in the United States over the refusal to accept Canadian currency, or to take it only at a discount. At one time, and not so long ago, American silver would not be accepted in the Toronto Street cars, and in most places in Canada, outside of the cities, American currency was scanned suspiciously, and frequently refused, except at a discount. This has now all changed in Canada, chiefly for two reasons. The branch bank system causes a constant shifting of staffs, and men coming from branches where they had become familiar with American money were able to reassure the public as to the value of the notes. Another reason was that the Canadian banks through their connection with American banks in various centres were able very easily to send over for redemption the American notes received by them in the ordinary course.

American banks have not the same facilities for either disposing of Canadian notes, or for acquiring any knowledge of their value.

Make Record of Note

In many sections a Canadian bank note is never seen and the local banks have no direct connection with any Canadian bank. If any such notes are deposited by one of their customers they take a record of it, so that in case it is returned they may collect it from their customer. It has no legal recognition in that country; it cannot be paid out again, and naturally they play safe.

As the volume of Canadian travel extends in the United States it will become gradually easier to have our currency accepted, but, until then, travellers will do well to secure themselves against possible annoyance and trouble by providing themselves with some means of securing funds wherever they may happen to be. They can always obtain American currency in Canada before they leave, but as there is a risk in carrying a "roll," they cannot do better than get travellers' cheques, which are issued by both banks and express companies. The cost is insignificant in comparison with the security and comfort they give. With a supply of these the traveller does not need to ask favors and there is little chance of the value of the cheques being questioned, because of the widespread use of these instruments, and the knowledge of them possessed by all who have to do with tourist travel in either country.

Banks Have Advanced Millions to Business

In Past Year They Have Enlarged Canadian Current Loans by $158,000,000, and Call Loans by $87,000,000

As was indicated in a front-page article in The Financial Post last week, the most interesting changes in the bank statement revealed by the June statement were those relating to the banks and the stock market. The banks had reduced their call loans in Canada by about a million dollars, a small change but a significant one when one considers that this item has been steadily increasing for the past two or three years. Call loans abroad, which would constitute chiefly call loans in the New York stock market showed a much greater decrease — nearly $23,000,000.

Despite the decreases, Canadian call loans are nearly $87,000,000 above the figures of a year ago and Canadian current loans are nearly $157,000,000 above those of a year ago.

The change that has come over the bank statement during the past year is quite interesting. Total assets of the banks have increased by $325,000,000 but liquid assets—as determined by The Financial Post's analysis — have declined $9,000,000. The banks have been putting their funds to very efficient use in a business way. Obviously the trend can only go so far, and it is not surprising that the banks have been tightening up a little of late. Nevertheless with the opening of the crop movement, the marketing of the large carry-over of grain from last year and the steady increase in resources there need be no apprehensions of credit stringency in Canada.

BANK STATEMENT FOR MONTH OF JUNE

Immediately Available Liquid Resources

	June, 1928	May, 1928	Change	June, 1927	Change
	$	$	$	$	$
Assets					
Specie	67,146,814	64,163,602	+ 2.983,212	70,933,825	— 3,787,011
Dom. Notes.	121,417,114	133,057,863	—11.640,749	100,719.226	+ 20,697,888
Gold Reserve	71,030,866	65,995,332	+ 5,035,534	67,420.332	+ 3,610,534
U. K. and Foreign Banks	73,239,977	89,371,768	—16,131,791	72,234,783	+ 1.005,195
Foreign curr.	18,305,031	20.484,351	— 2,179,320	21,960,330	— 3,655,299
Govt. Secs.	324,878,088	328,904.315	— 4,026,227	332,808,500	— 7,930,412
Call Loans Abroad	239,769,502	262,742.355	—22,972,853	358.784,429	— 19,014,927
	915,787.392	964,719,586	—48,932,194	924,861,425	— 9,074,033
Loans and Securities Other Than Those of Canadian Government					
Pub. Secs.	139,281,883	138.883,124	+ 398,759	136,335,268	+ 2,946,615
Rly. Secs.	67.293,803	67,605,048	— 311,245	64,683,636	+ 2,610.167
Can. Call Loans	268,017,032	269,392,692	— 1,375,660	187.366,393	+ 86,650,639
Current Loans	1,184.923,633	1,207.363,245	—22,439,612	1.027,186,517	+157,737,116
Loans Abroad	271,810,505	279,095,054	— 7,284,549	254.725,630	+ 17,084,875
Prov. and Mun. Lns.	113.379,256	104,928,241	+ 8,451,015	86,400,893	+ 26,978,363
	2,044,706,112	2,067,267,404	—22.661,292	1,756,698,337	+288,007,775
Other Assets					
Non-curr. Loans	7.582.694	7,625,353	— 42,659	8,913,196	— 1,330.502
Real Estate	6,953,954	6,959,331	— 5,377	7,747.134	— 793,180
Mortgages	6,816,650	6,837,759	— 21,109	6.298,588	+ 518,062
Premises	72.077,323	70,978,380	+ 1,098,943	71,050,017	+ 1,027.306
Lets. of Credit	102,826,252	102,902,998	— 76,746	75,018.232	+ 27,808,020
Loans to Comp.	7.701,252	7,495,453	+ 205,799	7,230,540	+ 470,712
Other Assets	2.435,183	2,678,388	— 243,205	2,781,195	— 346,012
	206,393,308	205,477,662	+ 915,646	179,038.902	+ 27,354,406
Total	2,966,887,312	3,237,464.652	—270,577,340	2.860,598,644	+106,288,668
Note Circ. Dep.	6,015,817	5,942,501	+ 73,716	5.878,159	+ 137,658
Int. Bank Bal.	173.161,227	174,257,285	— 1,096,058	153,838,085	+ 19.323,142
Gross	3,346.111,911	3,417,664,438	—71,552,527	3,020,314.908	+325,797,003
LIABILITIES TO THE PUBLIC					
Liabilities to Government and Circulation					
Circulation	183,379,487	162,402,410	+20,977.077	177,611,562	+ 5,767,925
Dom. Govt.	31,214,455	73,714.357	—42,499,902	39,152,786	— 7.938,331
Prov. Govt.	27.487,888	26,631,980	— 855,908	37,106,328	— 9,618.440
Govt. Advances	57,250,000	47,000,000	+ 1,250,000	15,950,000	+ 41,300,000
Deposits by Public					
Demand Dep.	697,322,343	696 072,649	+ 1,249.694	595,424,745	+101,897,598
Savings Dep.	1,487,854,017	1.516,206,532	—28,354,515	1,380,325,581	+107,528,436
Total	2,185,176,360	2,212,279,181	—27,102.821	1.975,750,326	+209,426,034
Foreign Dep.	376,234,999	407,529,978	—31.294,979	351,161,830	+ 25,073.169
Due Banks Abroad, etc.					
U. Kingdom	9,361,013	8,434,515	+ 926.498	4,328,330	+ 5,032,683
Foreign	63.909,331	69,897,886	— 6,078,555	48,472,517	+ 15,436,814
Bills pay.	12,215,146	10,859,638	+ 1,355,508	9,763,310	+ 2,451,836
Lets. of Cred.	102,826,252	102,902,998	— 76.746	75,018,232	+ 27,808,020
Other Liab.	2,258,338	2,338,939	— 80,601	2.520,527	— 262,189
Pub. Liab.	3,051,313.316	3,123,991,882	—72,686,566	2,736,835,748	+314,477,563
Due Bet. Banks	16,073,691	16,373,585	— 299,894	10.842,039	+ 5,231,652
Liability to Shareholders					
Dividends	688,593	2,823,822	— 2.135,229	701,049	— 12,459
Reserve	133,566,700	133,566,700	....	130,669,550	+ 2,897,150
Capital	122,764,660	122,764,660	....	122.392,510	+ 372,150
Gross	3,324.406,960	3,399,520,649	—75.113,689	3,001,440,896	+322,966,064

How to get Cheques Cashed at Par

"Seventy cents exchange on this cheque," said the teller.

"Too much," said the customer.

"We have no branch there," explained the teller.

"I have an account in a bank which has a branch there," threatened the customer.

"I'll toss you—nothing or $1.40," said the teller.

"I'm on," said the customer, "I call it heads."

"I've lost," said the teller.

"Seventy cents," interposed the accountant, "You should not gamble."

Bank Chat

The Bank of Nova Scotia has opened a branch at the corner of Greene Avenue and Sherbrooke St., Montreal, under the management of R. B. W. Ward.

The Royal Bank's new branch at Brighton is under the management of Mr. East. Stanley Moore fills the joint position of teller-accountant. At present the business is being carried on in temporary offices but about October 1 the bank's building will be completed.

The Bank of Montreal will shortly open a branch at 346 Hastings St. W., Vancouver, B.C. The branch, which will be known as the Homer and Hastings Streets Branch, will be under the management of N. J. H. Brown.

William Forshee, who has held the position of accountant in the St. Marys, Ontario, branch of the Royal Bank for several years, has been appointed manager of the branch at Florence, his old home. S. H. McConnell, of Port Hope, succeeds Mr. Forshee as accountant.

The Bank of Montreal has opened a branch at the corner of Sherbrooke St. and Greene Ave., Westmount, Que.

W. I. Rodgerson, who has been appointed manager of the Fort Erie branch of the Bank of Montreal, has had a varied experience in banking, both in Canada and the old country. Prior to coming to Canada, seventeen years ago, he was with the Commercial Bank of Scotland. In 1911 he joined the staff of the former bank of British North America, and was stationed in various offices, including branches at St. John, N.B.; Fredericton, Hamilton, London, Montreal, Ottawa and Kingston. In 1923 he was appointed accountant of the King and Dufferin Sts. branch of the Bank of Montreal in Toronto, and later, accountant of the Ingersoll branch and assistant accountant of the King and Yonge Sts. branch, Toronto. In May of this year he was appointed accountant of the Trenton branch and held this position until the date of his present appointment.

Ole Zimmerman, accountant at the Milverton branch of the Bank of Commerce, has been transferred to Ingersoll. Mr. Zimmerman has been connected with that branch for about four years.

D. G. Lawson, of Cana, Sask., who has been in the employ of the Royal Bank for some time, has left for Cuba, where he has accepted a position in the supervisor's office at Havana.

J. G. Lamontaigne, formerly of the Tilbury staff of the Provincial Bank, and later manager of the Tecumseh branch for a time, has accepted a position in the head office of the same bank in Montreal.

T. A. Lauder, of Hanover, has been promoted to the managership of the Royal Bank at Elmwood. Mr. Lauder has been accountant in the Royal Bank at Hanover for some years.

Announcement is made of the appointment of Lee Armstrong Haun as an estates officer at the Ontario branch in Toronto, of the Canada Permanent Trust Co.

Mr. Haun graduated from Osgoode Hall and was called to the bar in 1920, since which date he has been practising his profession in Dunnville, where he is widely and favorably known.

Mr. Haun's qualifications and experience especially fit him for the new duties he has assumed, and the management believes the company is fortunate in having secured his services.

E. C. Pourbaix, who has been teller in the Davidson, Sask., branch of the Bank of Montreal since 1926, has been promoted to the management of the branch at Domremy, Sask.

P. J. Thompson, manager of the Royal Bank of Canada at Humboldt, Sask., has been granted six months leave of absence. H. Price Jones, of Regina, will be acting manager during Mr. Thompson's absence.

The Royal Bank of Canada at Glenboro, Manitoba, have underway the erection of a modern structure to replace their old quarters which have been torn down. While the new building is being constructed temporary offices have been opened.

A. E. Kearney, formerly manager of the Royal Bank at Schomberg, has been appointed to the branch at Whitby.

J. H. Matson, formerly accountant at Brantford, has succeeded D. T. McGuire, as manager of the West Lorne branch of the Bank of Montreal. Mr. McGuire is now located at Tillsonburg.

H. C. Higginbotham, who has been manager of the Standard Bank branch in Cobourg, for the past ten years, has resigned from the bank, and intends going into the bond business in Cobourg. Mr. Higginbotham has been connected with the Standard Bank for the past twenty-six years.

R. Malcolm Hope, manager of the Perth branch of the Bank of Nova Scotia, has returned from his trip to his home in Scotland greatly improved in health.

ENO'S EARNINGS ARE WELL OVER ESTIMATE

Class "A" Annual Dividend is Earned in First Six Months

International Proprietaries Limited, is officially stated to be earning considerably more than the original estimate for 1928. It is stated on good authority that the entire year's dividend requirements for the "A" shares have been earned in the first half-year; and as the preferred rate of $2.40 per share on the 210,000 shares issued would require $504,000, this means that the original estimate of $900,000 for 1928 stands well in the way of being substantially exceeded.

Weekly Bank Clearings

(As compared with same week last year)

(As compared with same week last year)

Eastern Cities	Aug. 18, 1927	Aug. 16, 1928
Halifax	$2.592,913	$ 3.228,405
St. John	2,500,414	2,500,593
Moncton	791,420	887,825
Sherbrooke	913.414	894,783
Quebec	6,745,959	6,213,782
Montreal	113.250,605	137,976,970
Ottawa	6,898,163	8,311,993
Kingston	850,256	893,087
Toronto	101,988,890	133,573,863
Peterboro	733,183	852,872
Hamilton	5,206,198	7.589,999
London	3,156,344	3,127,890
Brantford	1,022,044	1,240,052
Chatham	823.601	830,338
Kitchener	1,054,953	1.114,194
Windsor	4,691,301	5,791,911
Sarnia	720,838	....
Western Cities	**Aug. 18, 1927**	**Aug. 16, 1928**
Fort William	$ 1,055,900	$ 1,114,791
Winnipeg	42,869.325	64,057.390
Brandon	664,006	792,884
Regina	4,354,441	5,925,316
Moose Jaw	1,249,359	....
Saskatoon	2,436,064	2,764.996
Prince Albert	392,029	445.814
Lethbridge	575,206	820,846
Calgary	6,998,650	10,578,122
Edmonton	5,609,906	6,436.555
Medicine Hat	282,803	472,790
New Westminster	819,870	785.835
Vancouver	17,591,387	19,780,468
Victoria	2,129,300	2,526.116

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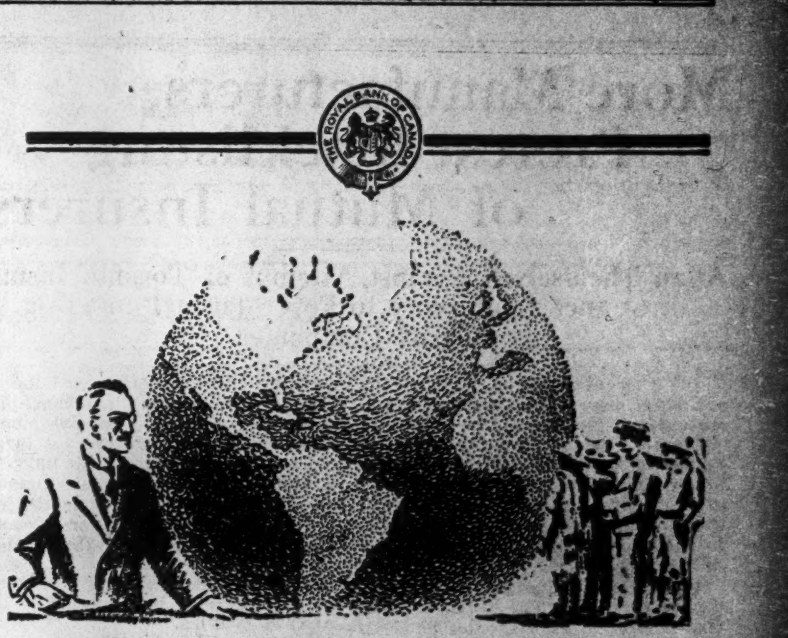

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More Manufacturers Protest Blacklisting of Mutual Insurers

Align Themselves Against Attempt of Toronto Insurance Conference to Force Them Into Tariff Companies

The recent action of the Toronto Insurance Conference in proclaiming a virtual boycott of industrial and retail firms carrying insurance in mutual and reciprocal fire insurance companies continues to receive much discussion among business men. The Financial Post has received a large number of additional letters from firms, who were mentioned on the boycott list recently sent out by the conference, and these letters are unanimous in protesting against what they call the ill-judged and unfair tactics of the Toronto Insurance Conference, representing tariff insurance firms, in their attempt to reduce the competition they suffer from other forms of insurance.

It is clearly recognized by the companies writing to The Financial Post that there is no issue as between Canadian and American insurance in the choice between tariff and non-tariff companies.

Not Canadian Nor American

Some of the strong mutual insurance companies are entirely Canadian. On the other hand, many of the tariff companies are American or foreign in ownership and management.

It so happens that the largest group of mutual companies—the so-called New England factory mutuals—have their headquarters in the United States and write more American than Canadian business. This is because wide geographical distribution of risks is considered advisable in mutual insurance and this can be obtained in companies operating on a continent-wide scale. These companies, however, are licensed to do business in Ontario and Quebec.

No Brief for Mutuals

In calling attention to the boycott instituted by the Toronto Insurance Conference, The Financial Post is making no brief for mutual insurance and making no attack on tariff insurance. It feels that there is room for both classes of insuring organizations and feels that unfair methods of competition, such as have been instituted by the Toronto Insurance Conference, do no good but rather much harm. And as the opinions of leading Canadian manufacturers that have been quoted in these columns show, the tariff insurance companies, both Canadian and foreign, have been the chief sufferers, having lost a great deal of good will as a result of the ill-advised campaign by the Toronto Insurance Conference.

The Toronto Insurance Conference consists of brokers and agents writing business in tariff companies—that is companies that are members of the Canadian Fire Underwriters Association—and that adhere to established rates fixed by the association for different localities and different classes of business. It is, therefore, opposed to mutual insurance, in organizations that refund to their policyholders, the difference between the premiums taken in and the net losses and expenses incurred.

Restrict Their Risks

Most of the mutual companies restrict their risks to highly selected classes and the big mutuals are really co-operative insurance pools organized by large buyers of insurance who have reduced their fire risks to the minimum by sprinklers and other fire preventive and fire inspection systems.

Blacklist Their Own Friends

In several of the letters received by The Financial Post this week it was revealed that the Toronto Insurance Conference listed as buyers of mutual insurance, a number of firms that buy only tariff insurance, in companies adhering to the rates fixed by the Canadian Fire Underwriters Association. Some of the firms erroneously blacklisted were clients of the very brokers whose association sent out the list.

A company manufacturing farm implements writes that in placing its insurance it has always extended every consideration to the tariff companies which is evident by the fact that its branches are all insured in these companies. But the chief plant is insured with the mutuals. The business was placed many years ago when the tariff companies apparently made little effort to compete in the business. This firm states, "We have noticed, however, in more recent years, that they are making a stronger effort to obtain our plant insurance and within the past twelve months we have had them quote us rates on it but we found that their quotations were slightly higher than our present costs. Our experience with the mutuals, from the standpoint of service and inspection, has been satisfactory, and in view of this we have continued to place this business with the mutual organizations."

Switched Back Again

One of the largest industrial concerns in Canada points out that after insuring with the mutual companies for many years they decided to place all their business in Canada and this meant insuring with tariff companies. They pursued this policy for three years but there was such a disparity in the quotations given them that this year they had no recourse but to switch back to the mutual firms. They say, "So far as service, including inspection, is concerned, we feel that there was little to choose between the two organizations."

Another large textile company explains that they divide their insurance equally between a Canadian licensed mutual company and the tariff companies. They figure a saving of at least 25 per cent. through mutual insurance.

Want Fire Protection

Another company, which saves $1,800 a year by insuring with the mutuals, states that, "Our main reason for carrying protection in the mutual company is protection against fire rather than insurance against fire." This firm likes the inspection service of the mutual organizations.

Another company, approving the stand of The Financial Post for clean competition in the insurance field, states that it places a certain amount of business with tariff companies but gives most of it to the mutual companies, effecting an annual saving of $1,500. "It would be interesting to know," says the treasurer of this firm, "what proportion of business placed by members of the Toronto Insurance Conference is given to companies located in Canada or even in the British Empire; also what effect the removal of the competition of the mutuals would have on the rates at present being quoted by the tariff companies."

Only Advertise Mutuals

Another very large company says that its various subsidiaries divide their business between tariff and non-tariff companies. This company, as indeed with every company whose experience is referred to in these columns was mentioned on the "black list" of the Toronto Insurance Conference. "The mutual companies are very thorough in their inspection," says this company, "and we find that it improves the condition of protection in the plants covered."

"The Toronto Insurance Conference only advertises the mutuals by their tactics," says another industrial firm. "If the tariff company could eliminate the mutuals the price of insurance would soar."

A large Hamilton industrial firm says, "We consider the suggested boycott against manufacturers and other purchasing mutual insurance very short-sighted and we feel that such action will not be to the advantage of the instigators."

Another firm says that it has insured with the mutuals for 40 years, has always had such excellent service that they think it would come with very poor grace to cancel the arrangement because of the threats of any association. They say, "To say the least, we are more than surprised at the attitude of the Toronto Insurance Conference. We are glad to note that you have been defending the mutual insurers against such attacks."

Another Wrongly Mentioned

Another firm says, "We fear that our name has been included on the list in error, as we do not use mutual insurance at the present time.

"When we built our new plant about five years ago the line company tried to hold us up and it was only after we had practically come to terms with a mutual company that the line company revised its figures.

"We consider the course you are taking a very excellent one and wish you every success in your campaign against this boycott."

A Brantford company says, "The action of the Toronto Insurance Conference is likely to re-act against them and have the effect of turning more insurance purchasers to the mutuals."

A Toronto manufacturing concern declares that they did not insure with the mutuals until they were licensed in Canada but could not resist the temptation to save about 35 per cent. on their insurance costs. They admit frankly that they were somewhat reluctant to make the change from tariff to mutual companies because they had always had good service from the Toronto broker who handled their tariff insurance.

Save $4,500 a Year

A Toronto company with lumbering interests affiliated, points out that they went over to mutual insurance in self-defence. It was much to be desired to the service they got from tariff companies. On their Toronto plant they are saving $1,500 a year and on outside risks more than $3,000 a year.

As this issue of The Financial Post goes to press still further letters have been received from firms mentioned on the boycott list, protesting against the action of the Toronto Insurance Conference and outlining their reason for insuring with mutual companies. A Hamilton company states that they carry over $2,000,000 of insurance with the mutuals and they consider that the inspection service they get is worth more than the total premium paid. They add "We do not consider that the companies here can compete until they are able to give this service as well as meeting the rates."

Tariff Premiums $11,000

Still another Hamilton company, which members of the Toronto Insurance Conference were asked to boycott, pays only $2,911 to the mutual companies, counting interest on deposit with the mutual companies, but it pays the joint stock companies no less than $10,969 a year in insurance premiums. This covers guarantee band, forgery, payroll, boiler, furniture, trunks and samples, automobiles, accounts receivable and life insurance.

They figure that their saving is $658 a year on the tariff insurance they buy.

Big Saving to Printing Plant

A large printing establishment points out that they get $308,000 of insurance with a New England mutual company at $542.03 a year, when 6 per cent. on the deposit made with the insurance company has been added to the premium paid last year. The annual premium to the tariff companies, with which this firm formerly insured would be $2,956.80, at the rate last paid to these companies. The net saving is $2,414.77 per annum. The manager of the firm says, "The mutual inspection service is very satisfactory indeed; the inspectors are most thorough in their work. We have not kept a definite record but there is an inspection made in our plant on an average of once every two months. The inspectors are all very fine chaps who thoroughly understand their business and have every consideration for their clients' problems."

A Hamilton company expresses surprise at the action of the Toronto Insurance Conference. This firm carries about one-third of its insurance with the tariff companies although paying a higher rate to them. They say "We are pleased that The Financial Post is opposing this boycott. It is only such actions as theirs that would induce us to favor the mutual companies with all our insurance."

The extent to which the boycott idea could go if it were generally pursued by different groups of business men as a means of fighting competition is exemplified in a letter from a manufacturer of a certain type of clothing. He suggests that in view of the large importations of that product into Canada that all the textile manufacturers might declare among a boycott of everybody wearing imported clothing. This would be even more reasonable, he thinks, than the boycott of mutual insurers. But he adds "The boycott idea to our way of thinking is silly and ridiculous and we are very pleased to see a publication as strong as The Financial Post opposing such a suggestion as the Toronto Insurance Conference has made."

Automobile Industry in Canada

CADILLAC ADDS POWER TO ENGINE IN NEW MODELS

La Salle Also Offers More Powerful Engine

Cadillac Motor Car Company of Canada will show a new line of Cadillac cars at Canadian National Exhibition. In the line there are eleven Fisher and thirteen Fleetwood custom bodies. All chassis have a wheelbase of 140 inches. Three outstanding improvements are noted—a new transmission which provides easy, instantaneous, and silent gear shifting at any speed, without the usual hesitation in neutral; new brakes of the internal shoe type; and "security-plate" glass in all windows and windshields. The new car has a more powerful motor, accompanied by heavier construction of parts of the chassis and body. One feature of the new body design is the placing of the parking lights on the front fenders instead of on the cowl. Greater emphasis has been placed on interior body construction, rather than on exterior, although there are a number of outward changes which are immediately noticeable.

Prices f.o.b. Toronto, including sales and excise taxes, spare rim and tire complete, tire cover, front and rear bumpers, leather spring covers, Lovejoy Shock Absorbers and full tank of gasoline, are as follows:'

FISHER CUSTOM LNIE
140" Wheel Base

	New Model	New Model
Roadster, 2-pass. with rumble seat	$5,035	$5.025
Touring, 7-pass.	5,175	5,165
Phaeton. 4-pass.	5.175	5,165
Sport Phaeton, 4-pass.	5.910	5,905
Coupe, 2-pass. with rumble seat	4,960	4,935
Convertible Coupe. 2-pass. with rumble seat	5,390	5,235
Coupe, 5-pass.	5,390	5,235
Town Sedan, 5-pass.	5.240	5,085
Sedan. 5-pass.	5,535	5,385
Sedan, 7-pass.	5,685	5.525
Imperial Sedan, 7-pass.	5,975	5,825

Increase La Salle Wheelbase

A new line of La Salle cars also will be shown by Cadillac. A feature of the new models is the increase in the wheelbase to 134 inches for all models, except three open models which retain the 125 inch wheel base. Companion car to Cadillac, the La Salle, embodies many features of the former and the new transmission which may be operated silently at any speed; the new brakes of the internal shoe type; and the security plate glass in all windows and windshields, are found also in the new La Salle. The engine is more powerful than formerly, and a high compression head gives a compression ratio of 5.3 to 1. The power plant has been increased in size, giving greater efficiency and all-around performance. Its cubic capacity is 328 inches; bore, 3¼; stroke 4 15/16; S.A.E. horsepower, 33.8; actually developed horsepower, more than 86.

The body design is not radically changed. Bodies are larger due to the increased wheel base, but greater emphasis has been placed on interior construction than on exterior. One exterior change of interest is the placing of the parking lights on the front fenders instead of on the cowl. To the Fleetwood line an entirely new type has been added. This is the "All-Weather" phaeton which is a five passenger convertible model.

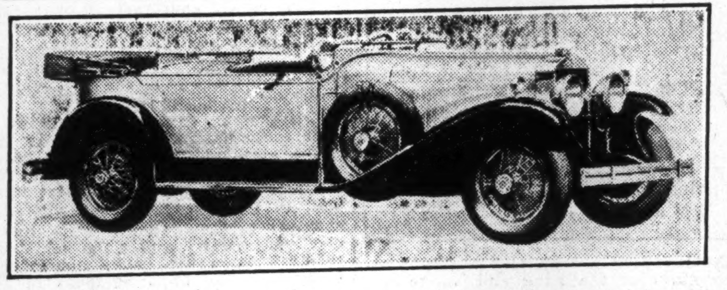
Prices f.o.b. Toronto, including sales and excise taxes, spare rim, tire, tire cover, front and rear bumpers, Lovejoy Shock Absorbers, spring covers and full tank of gasoline, are as follows:

FISHER CUSTOM LNIE
125" Wheel Base

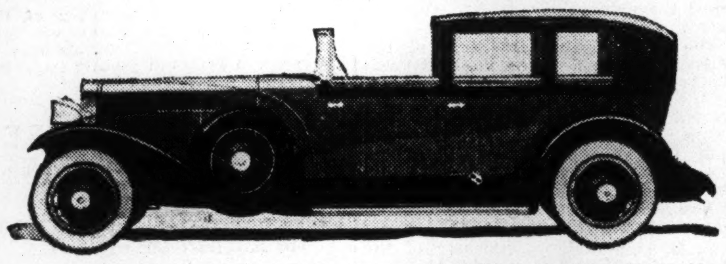
	New Model	New Model
2-pass. Roadster with rumble seat	$3,560	$3,715
4-pass. Phaeton	3,495	3.715
4-pass. Sport Phaeton	4,345	4,430
134" Wheel Base		
2-pass. Coupe with rumble seat	3,785	x3.660
2-pass. Convertible Coupe with rumble seat	3,935	x3,810
5-pass. Coupe	3,980	3,920
5-pass. Sedan	3,935	x3,725
5-pass. Family Sedan	3.720	x3,515
7-pass. Sedan	4,195	4,135
7-pass. Imperial	4.345	4,285
5-pass. Convertible Landau Cabriolet	4,125	....

x125" Wheel base.

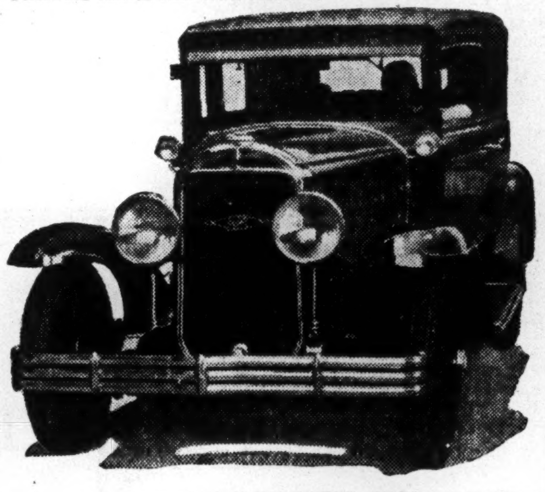
New General Motors Creations Reflect Trend to Sport Style



The new La Salle sport phaeton with tonneau cowl and two folding windshields emphasizes the sport idea. A spotlight is mounted on a nickeled stanchion above the running board.



A new line of bodies has been created for the new Cadillac models and included is this Fleetwood custom-built town cabriolet.



The new Buick models, announced recently, have apparently been well received by the Canadian public. They represent a pronounced change from traditional Buick styles. This illustration emphasizes the new body design, as a side view would not.

FAIR WILL SHOW BRAND NEW CARS BY MANY MAKERS

Buick, Hupp, Chandler, Studebaker Have New Models

The motor show of the Canadian National Exhibition is far famed and the weeks immediately preceding the exhibition see the arrival of many new models of motor cars, timed in their arrival to be able to take advantage of this well-known fall show. In the past few weeks the 1929 Hupmobile models have made their appearance. Two lines are presented the eights and the sixes.

In the eight group are included the four-door sedan, the two-door sedan, five-passenger coupe, two-passenger cabriolet with rumble seat, five and seven-passenger phaeton and two-passenger sportster with rumble seat. The six line presents the same body types and in addition offers selection of two-passenger cabriolets both with and without rumble seats.

McLaughlin-Buick Changes

Another recent display is that of the new McLaughlin-Buick with its new design of radiator and body, longer wheel base and more powerful motor. Curves are emphasized throughout. The 1929 line of McLaughlin-Buicks comprises eighteen models, the two-door five-passenger sedan, the five passenger sport touring, the two-passenger business coupe, the four-passenger sport coupe, and the five-passenger four-door sedan on the 116-inch wheelbase; the four-door five-passenger close-coupled sedan, the four-passenger sport roadster, the two-passenger business coupe, the four-passenger Country Club coupe, the five-passenger four-door sedan on the 121 inch wheelbase, and the seven-passenger touring car, the seven passenger sedan, the four-door five-passenger brougham, the four-passenger de-luxe convertible coupe, the five-passenger sport touring, the four-door five-passenger sedan, the five-passenger coupe, and the seven-passenger sedan limousine, designed primarily as a chauffeur-driven car, on the 129-inch wheelbase.

Still another recent arrival is that of the new Studebakers. Changes in body design featured this fall showing.

Chandler Has New Eight

A recent addition to the Chandler family is the new line of eight cylinder cars known as the Royal "75" series. The new series includes four body styles: the brougham, coupe, sedan and de luxe sedan, all on a 118 inch wheelbase. The motor is of the straight eight "L" head type and incorporates the Pikes Peak principle. The bore is 3 in. x 4½ in. stroke. The one shot lubrication system and the four wheel Westinghouse vacuum brakes are standard equipment on all cars of this line.

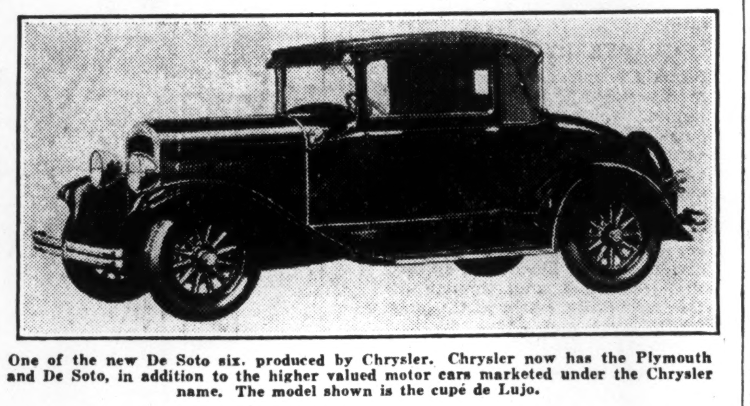
This series along with the new "65," announced a short time ago, rounds out the Chandler line so that it now includes a light six, the "65," the big six, a light eight, the "75" and a big eight, the "85." Prices, f.o.b. Toronto, range from $1,345 for the "65" to $3,295 for the de luxe "85." The price range on the new Royal "75" series is as follows (f.o.b. Toronto):

Royal "75" Brougham	$2050
Royal "75" Coupe	2050
Royal "75" Sedan	2195
Royal "75" De Luxe Sedan	2650

All De Soto Models Are Priced Under $1,000

Chrysler Corporation of Canada is now showing its new De Soto Six. Built in seven body styles the price is under $1,000 at the factory. The engine of Chrysler design and manufacture, has an S.A.E. rating of 21.6 horsepower, develops in excess of 55 horsepower and a speed of 60 miles per hour. The engine has many features found on the Chrysler cars and, in addition, many points especially designed to suit its purpose. Brakes are of the internal expanding hydraulic type and are on all four wheels. The body design while similar to Chrysler in the slender profile radiator shell, has style features which give the De Soto an individuality of its own. Roominess and comfort are present and the equipment and appointments are satisfying. A variety of color shades is available in the seven body styles.

Chrysler's Bid in Medium Price Field



One of the new De Soto six. produced by Chrysler. Chrysler now has the Plymouth and De Soto, in addition to the higher valued motor cars marketed under the Chrysler name. The model shown is the cupé de Lujo.

Can. Bronze Acquires Promising U.S. Plant

From Our Own Correspondent

MONTREAL.—It is understood that the Canadian Bronze Company has purchased the Lyndonville Brass Foundry at Lyndonville, Vermont, where a new wholly owned subsidiary, the Diamond Bronze Company will open up a new market for the company. The Canadian Bronze Company took care of the financing of this acquisition from its own resources.

The territory which the new U.S. plant will serve will include the northern section of the state of Vermont, where the C.P.R., the C.N.R., the Boston Maine and several other lines, operate. In the past, the plant has obtained business from the C.P.R. for its U.S. lines. The plant will be brought up to date, and an endeavor made to obtain business in industrial as well as railway lines. The Canadian business of the company continues to run well ahead of last year. Earnings from sources other than railroads are also increasing—the satisfactory feature in the company's development.

General Steel Wares is Moving Upwards

From Our Own Correspondent

MONTREAL.—The common shares of General Steel Wares have naturally participated in the recent market declines, but in dropping off to as low as 23, the stock seems to have participated over much in the general market decline as compared with stocks with similar attractions

Reports indicate that the new merger company earned $2.35 a share on its common stock during the first six months of its operations. This gives the stock an indicated earning power position of $4.70 a year— a figure forecast in the past in these columns.

Moreover, General Steel Wares occupies a sound liquid position, and it is understood that it has already eliminated from its balance sheet many book assets such as financing charges. As the merger has undoubtedly proven a real success, the reason for the more than proportional decline in the shares appears to be due only to the fact that in the formation of any new merger company there is always an amount of stock waiting to find a market as soon as possible. The shares, though, now appear to be moving toward a figure commensurate with the earning power back of the stock.

Canadian Paper Mills Still Have Lower Costs

MONTREAL.—In the U.S. trade journals covering the pulp and paper industry there has been much talk of late about the results which have been achieved in the manufacture of newsprint from New Zealand hardwood. There is nothing really new in this as newsprint of varying qualities can be made from literally thousands of raw materials other than Canadian or North American pulpwood. But to date, the pulpwood coming from the northern sections of this continent has maintained its lead as a raw material for newsprint both on a quality and on a cost basis. For instance, the newsprint made in the United States, on a test basis, from New Zealand hardwood costs more than newsprint made in Canada. The preliminary estimate of the U.S. Forest Laboratory places the average cost of production at $54.60 a ton—a figure certainly in excess of the prices at which Canadian mills can manufacture newsprint.

$125,000 BRANDON SCHOOL BONDS

Sealed Tenders, addressed to the Secretary-Treasurer of the Brandon School Board, will be received up to noon on Sept. 15th, for the purchase of $125,000.00 of Debentures of the School District of Brandon No. 129, payable in 1956, with interest at 5½% payable annually in Brandon.

The highest or any tender not necessarily accepted.

For further particulars apply to the undersigned.

F. A. WOOD, Secretary-Treasurer.

Premier Ferguson Coming to Quebec?

From Our Own Correspondent

MONTREAL.—As Premier Ferguson did not meet Premier Taschereau on his way through from England last week, there is some speculation here as to whether or not the Ontario premier will make a special trip to Quebec shortly to have a private conference prior to the general meeting of premiers and newsprint men that is scheduled to take place very soon. No confirmation of this private meeting could be obtained, but it is thought probable that the premier will get in touch with the Quebec premier before the actual conference with the newsprint manufacturers which was originally scheduled for this week, but which has been apparently postponed.

CANADA CEMENT IS IN BETTER POSITION

From Our Own Correspondent

MONTREAL.—Something of the situation surrounding the Canada Cement Company is presented in the 1927 figures covering the cement industry prepared by the Dominion Bureau of Statistics. The figures show that the Quebec mills produced 46 per cent. of the total Canadian production last year, and that the Ontario mills produced 35 per cent. of the total. The average selling price per barrel at the plant was as follows:

Average Price F.O.B. Mill

Quebec	$1.16
Ontario	1.37
Manitoba	2.50
Alberta	2.17
British Columbia	2.26

From the foregoing figures it will be seen that in 1927, due to the price war between the Canada Cement Company and the National Cement, earnings from the Quebec division of the company's activities were probably proportionately lower than in the other sections of the Dominion. But during the current year, the situation has changed; the National Cement has changed hands and the Canada Cement Company has adjusted its difficulties with its competitors. The result has been that while prices have declined in other sections of Canada, there has been a slight increase in the prices in Quebec.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent. upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after SATURDAY, the FIRST day of SEPTEMBER next, to Shareholders of record the 31st July, 1928.

By order of the Board.

FREDERICK WILLIAMS-TAYLOR,
General Manager.

Montreal, 20th July, 1920.

STANFORD'S LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of .25 cents a Share for the three months ending Aug. 31, 1928, has been declared on the Common Shares of the Company, and will be payable on and after the 15th day of September, 1928, to the shareholders of record at the close of business on the 31st day of August, 1928.

By order of the Board.

J. G. RENAUD,
Secretary-Treasurer.

Montreal, August 21, 1928.

The Keeley Silver Mines, Limited

(No personal liability)

Notice is hereby given that the Annual General Meeting of the shareholders of the Keeley Silver Mines, Limited (no personal liability), will be held in the board room of the Trusts & Guarantee Co. Limited, 302 Bay Street, Toronto. Ont., on Tuesday, 11th day of September, 1928, at the hour of 11 a.m. (daylight-saving time) for the purpose of receiving the reports and accounts for the fiscal year ending the 29th of February, 1928, for the election of directors for the ensuing year; for the appointment of auditors; and for the transaction of all such other business as may come before the meeting.

By order of the Board.

A. L. BURGESS,
Secretary.

August 23, 1928.

UNDER THE MANAGEMENT OF
POWER CORPORATION OF CANADA
LIMITED

East Kootenay Power Co. Limited

Dividend No. 17

A DIVIDEND of One and three-quarter per cent (1¾%) (being at the rate of 7% per annum) on the PREFERRED STOCK of EAST KOOTENAY POWER COMPANY LIMITED has been declared for the quarter ending Aug. 31st, 1928, payable Sept. 15th, 1928, to shareholders of record August 31st, 1928.

By order of the Board.

L. C. HASKELL, *Secretary.*

July, 27th, 1928.

The Bank of Nova Scotia

Dividend No. 235

Notice is hereby given that a Dividend of four per cent. on the paid-up Capital Stock of this Bank has been declared for the current quarter to shareholders of record of Sept. 15th, 1928, and that the same will be payable on and after Monday, the first day of October next, at any of the offices of the Bank in Canada.

By order of the Board.

J. A. McLEOD,
General Manager.

Halifax, N.S., August 21st, 1928.

The Canadian Bank of Commerce

Dividend No. 166

Notice is hereby given that a dividend of Three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 31st August, 1928, and that the same will be payable at the Bank and its Branches on and after Saturday, 1st September next, to shareholders of record at the close of business on the 16th day of August, 1928. The transfer books will not be closed.

By Order of the Board,

S. H. LOGAN,
General Manager.

Toronto, 20th July, 1928.

Harley, Milner & Co.
(Members Toronto Stock Exchange)
INVESTMENT SECURITIES
Private wire connections to principal financial centres
350 BAY STREET, TORONTO
Telephone Adelaide 9071

HAMILTON
26-28 MAIN STREET E.
Telephone: Regent 9660

LONDON
PEOPLES LOAN BUILDING
Telephone: Metcalf 682

WINDSOR
SECURITY BUILDING
Telephone: Seneca 4942

ST. CATHARINES
72 ST. PAUL STREET
Telephone: 4060

F14

P.T. LEGARÉ CO. LIMITED

DIVIDEND No. 4

The regular 1¾% quarterly dividend on the 7% preferred stock of this Company has been declared for the quarter ending August 31st, 1928, payable on the 1st day of September, 1928, to shareholders of record at the close of business the 15th day of August, 1928.

By order of the Board.

P. C. FALARDEAU,
Secretary-Treasurer.

Quebec, August 13th, 1928.

Belgo Canadian Paper Company, Limited

Dividend Notice

Notice is hereby given that a dividend of 1¾% for the three months ending September 30th, 1928, being at the rate of 7% per annum, on the paid-up Preferred Stock of this company, has been declared and that same will be paid on the first day of October, 1928, to shareholders of record at the close of business September 1st, 1928.

By order of the Board.

G. WILFRED HODGSON,
Secretary-Treasurer.

Montreal, August 14th, 1928.

NOTICE OF MEETING

The Canadian Bank of Commerce

Notice is hereby given that a special general meeting of the shareholders of the Canadian Bank of Commerce will be held at the head office of the Canadian Bank of Commerce at 23-25 King Street West in the City of Toronto, Ontario, Canada, on Tuesday, the eighteenth day of September, 1928, at the hour of 12 o'clock noon (daylight saving time), for the purpose of submission to the said shareholders of an agreement for the sale by the Standard Bank of Canada to the Canadian Bank of Commerce and for the purchase by the Canadian Bank of Commerce from the Standard Bank of Canada of the whole of the assets of the Standard Bank of Canada upon the terms set out in such agreement and for the purpose of considering such agreement and for the purpose, if thought fit, of approving of the same, and also for the purpose, if thought fit, of passing a by-law fixing the number of directors of the Bank at thirty-seven and amending By-law Number One of the Consolidated By-laws of the shareholders to give effect thereto.

By order.

S. H. LOGAN,
General Manager.

Toronto, the twentieth day of July, 1928.

The Standard Bank of Canada

Notice is hereby given that a special general meeting of the Shareholders of The Standard Bank of Canada will be held at the Head Office of The Standard Bank of Canada, at 15 King Street West, in the City of Toronto, Ontario, Canada, on Tuesday, the eighteenth day of September, one thousand nine hundred and twenty-eight, at the hour of eleven o'clock (daylight saving time) in the forenoon for the purpose of submission to the said Shareholders of an agreement for the sale by The Standard Bank of Canada to The Canadian Bank of Commerce, and for the purchase by The Canadian Bank of Commerce from The Standard Bank of Canada of the whole of the assets of The Standard Bank of Canada upon the terms set out in such agreement, and for the purpose of considering such agreement, and for the purpose, if thought fit, of approving of the same.

By order

N. L. McLEOD,
General Manager.

Toronto, the 18th day of July, A.D., 1928.

THE CHARTERED INSTITUTE OF SECRETARIES

RESULT OF JUNE EXAMINATIONS

FINAL—C. B. Kay.

INTERMEDIATE—F. C. Hamilton; J. Dalgleish; A. Gibson; C. R. Howell, and D. A. Roberts.

Particulars in regard to the Chartered Institute of Secretaries can be obtained from Mr. E. W. White, F.C.I.S., 347 Bay Street, Toronto, Ontario.

NOTICE

Port Alfred Pulp and Paper Corporation

Notice is hereby given that a quarterly dividend of 1¾% (being at the rate of 7% per annum) on the 7% cumulative preferred stock of this Corporation, for the quarter ending September 15th, 1928, will be payable on that date to shareholders of record September 1st, 1928.

By order of the Board.

A. WAGNER, Secretary.

Montreal, August 23, 1928.

HOWARD SMITH PAPER MILLS Limited

Incorporated 1928

Dividend Notice on Preferred Stock

Notice is hereby given that a dividend of 1½% on the 6% Preferred Stock of the Howard Smith Paper Mills, Limited, Incorporated 1928, has been declared for the quarter ending the 31st day of August, 1928, payable on the 31st day of August, 1928, to Shareholders of record at the close of business on the 21st day of August, 1928.

By order of the Board.

E. HOWARD SMITH, Jr.,
Secretary.

Montreal, August 10th, 1928.

St. Maurice Valley Corporation

Dividend Notice

Notice is hereby given that a dividend of 1¾% for the three months ending September 30th, 1928, being at the rate of 7% per annum, on the paid-up Preferred Stock of this Corporation, has been declared and that same will be paid on the first day of October, 1928, to shareholders of record at the close of business September 15th, 1928.

By Order of the Board.

G. WILFRED HODGSON,
Secretary-Treasurer.

Montreal, August 14th, 1928.

Hamilton Dairies LIMITED

Preferred Stock Dividend No. 7

Notice is hereby given that a dividend for the current quarter at the rate of seven per cent. (7%) per annum will be paid by cheque on or after September 1st, 1928, to preferred shareholders of record at the close of business on the [illegible] day of August, 1928.

HAMILTON DAIRIES, LTD.

INVESTMENTS
We offer first-class investments in first and second mortgages on real estate and agreements for sale in Regina, Saskatchewan. Capable supervision by able loan specialists in one of oldest offices in the Province.
Box 190, The Financial Post,
Toronto, Ont.

Lake Shore Mines LIMITED

(No Personal Liability)

DIVIDEND NO. 34

NOTICE is hereby given that a quarterly dividend of twenty per cent. on the issued capital stock of the Company, will be paid on the 15th day of September, 1928, to shareholders of record at the close of business on the 1st day of September, 1928.

By order of the Board.

KIRKLAND SECURITIES, LTD.
SECRETARY.

Dated at Kirkland Lake, Ontario,
August 15th, 1928.

The International Nickel Company

(Incorporated)

A quarterly distribution of $.75 on the Common Stock has been declared this day, payable September 29th, 1928, to Common Stockholders of record at the close of business September 10th, 1928.

JAMES L. ASHLEY,
Secretary and Treasurer.

August 17th, 1928, New York, N.Y.

Cooksville Shale Brick Company, Limited

DIVIDEND NOTICE

A Quarterly Dividend of One Per Cent. (1%) on the Preference Shares has been declared, payable September 15th, 1928, to Shareholders of record at the close of business on August 31st, 1928.

By order of the Board.

WM. TAYLOR,
Secretary.

Montreal, Que., August 17th, 1928.

Dividend Notice

CANADA MALTING COMPANY, LIMITED

NOTICE is hereby given that a dividend of Thirty-seven and one-half cents (37½c) per share has been declared on the no par value stock of the Company. The above dividend is payable September 15th, 1928, to Shareholders of record at the close of business on the 31st day August, 1928.

Share Warrant Holders will present coupons Serial No. 3 to the Royal Bank of Canada, Montreal, Toronto, Winnipeg and Calgary, on or after Sept. 15th, 1928.

By order of the Board,

ERIC S. CLARKE,
Secretary.

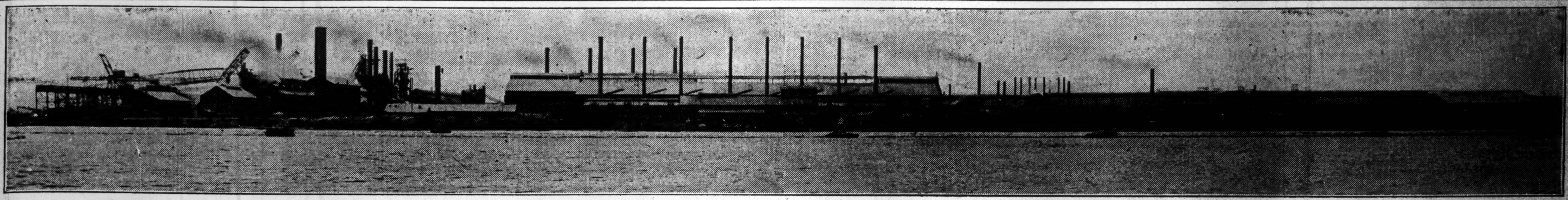
Dated at Montreal,
August 17th, 1928.

Featuring Lake Superior Corporation and Subsidiaries

SECOND SECTION THE FINANCIAL POST **SECOND SECTION**

Vol. XXII Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, AUGUST 24, 1928 10c. a Copy; $5.00 a Year No. 34

Algoma Steel Corporation Plant at Soo is Impressive Sight as Seen From Lake Superior



At left are coal and ore docks, equipped with modern unloading gear. Thick stacks near left are those of blas t furnaces, while fumes from the open hearths are carried off in the slimmer stacks in centre. The plant is on one of the most valuable industrial sites in Canada, with ample land to take care of expansion.

Superior Full of Promise for Those Who Have Faith and Will Yet be Patient

Properties Sound Though Obstacles Still Remain

STEPS ARE DEFINITE

Capital Changes and Tariff Support Must Precede $12,000,000 Expansion

By **KENNETH R. WILSON**

"Is Algoma Coming Into Its Own?"

Just thirty years ago there was conceived a gigantic industrial community built upon Canada's basic industries and situated on deep water.

But there is many a slip 'twixt the cup and the lip. Investors and shareholders are impatient, and where there is no profit, interest and industry perish.

Lake Superior Corporation, the present parent of the Algomas, has never made much money. Even in its palmy days the stock never got above $35 per share, and last year sold as low as $1.25.

Originally there was a power plant, a pulp and paper mill, railways, a steel plant, a public utility and a traction company all operated under the same aegis, to utilize the raw materials that nature supplied so abundantly. All were sound, well conceived and correlated schemes, but the period of waiting proved too long. Bondholders pressed for interest, and disintegration set in.

Thus, since 1904, efforts have been concentrated upon Algoma Steel plant with its sources of raw material and its running mate, the Algoma Central and Algoma Eastern Railways — the rest having been disposed of to private interests.

As far as the steel plant is concerned its financial career has been a checkered one. Prior to the war the company was working itself into a splendid financial position and was apparently on the high road to success. In 1914, however, the railways cancelled their rail orders and the steel plant was literally left with hardly a leg to stand on. Due to an influx of war business it recovered, and prior to 1920 profits had risen to a fairly substantial figure.

Tide Turns in 1925

After 1921 things went from bad to worse with deficits growing rather than decreasing, as production was curtailed. The tide turned, however, in 1925, when, after a net loss for the year of over $1,000,000, the wheels began to hum, and now, three years later, the company is showing net earnings after interest requirements of $716,000.

Eastern Going Along Well

The Algoma Central Railway has almost invariably been a losing proposition. The average deficit for the past 13 years has been $640,000 per annum, and even from 1910 to 1914, although it paid interest, no allowance was made for depreciation. Since 1915 the property has been controlled and operated by a committee of bondholders which were appointed when the road got into financial difficulties five years after its inception.

The third operating subsidiary of the Consolidated way, has on the whole had a fairly successful career. It has never made a great deal of money but for a young railway it has come through its growing pains remarkably well. It still carries a debit legacy from 1918 of nearly $350,000 which was a write-off for accumulated depreciation, but this is being steadily reduced and it will not be many years now before Algoma Eastern should be turning nice profits into the Lake Superior pocket.

But what of the future?

Algoma Steel, to be successful, must achieve balance. At the present moment it is too dependent upon rail business for successful operation. It is doubtful if Canadian rail business will ever be sufficient to keep a plant like Algoma running at full time 24 hours a day.

On its basic side the plant is almost perfectly equipped, the great need being more outlet for its basic products, iron and steel. It also needs some more up-to-date rolling equipment. If the proposed plan for a combination rail and structural steel mill, which was conceived and commenced in 1918, can be made a reality, Algoma's chances of being a financial success are excellent. However, it is exceedingly doubtful if the new controlling interests will proceed with this unless they get some assurance of protection from the government on the larger types of structural steel now being brought in in large quantities from the United States.

On the marketing side, the new interests that have acquired control are reputed to be well able to look after Algoma's "connections," and to see that the company gets at least its share of the various types of business which it can handle.

Algoma Central is Yet Latent

As for the Algoma Central Railway, its day has yet to dawn and indications are not lacking that this will be much sooner than a great many people expect. The line, equipment, rolling stock and so forth are in first-class con-

(Continued on page 17)

Future Plans Disclosed for Big Soo Corporation

Here briefly are some of the big future developments that are slated for Lake Superior Corporation:

1. Financial reorganization to take place in the fall, and which will include the creation of a new Canadian company to replace the present New Jersey one; the conversion of present $100 stock into new no par common; the conversion of Lake Superior income bonds into preferred stock with a par value of $5; and a material writing down of the company's book assets.

2. Tariff application to be submitted to Dominion Government at next session, covering four particular items affecting only Algoma Steel operations. All controversial or overlapping items, formerly included in an earlier brief have been eliminated.

3. Granting that the government's reaction to its tariff brief is favorable, the company plans to construct immediately a combination rail and structural steel mill capable of handling up to 130 lb. rails, and structural steel up to 24-inch beam.

4. The next Algoma Steel move will be the construction of a new sheet mill, capable of handling 40,000 to 50,000 tons of product, and diversified for stamping roofing.

5. The next plan calls for the entire re-vamping of the present merchant mill so as to include a much wider range of product, and increase the present merchant capacity by 100 per cent.

6. Finally, the company intends to build a combination skelp and strip mill, although no definite plans have been formulated as yet, due to rapidly changing conditions in the industry.

The whole plan of expansion is estimated to cost approximately $12,000,000.

Investor Now May Share Enthusiasm of Officials

Fundamental Soundness of Algoma Steel Project Appeals to All Who Investigate; Future Bright in New Financial Régime

Enthusiasm is one of the outstanding characteristics of officials of Algoma Steel, Algoma Central and other subsidiaries of Lake Superior Corporation.

Admitting certain handicaps in equipment, each of the men who are responsible for the operating success of the steel plant or of the economical administration of the railway will assert positively his unbounded faith in the future.

Love of their work and wholehearted devotion to the interests of the corporation are evident to the casual questioner. And the visitor must be impressed further, with the fact that here are able men, capable of establishing the steel plant and its related projects as highly profitable enterprises whenever an adequate financial organization is achieved.

Whether native Canadians or not, whether men of scientific education or men who have learned the technical side while watching fires, these men nearly all have held, and again could hold, responsible positions in the great steel mills of the United States.

Yet Sault Ste. Marie holds them, or brings them back. They are enthusiastic believers in Algoma. And in that they are evidencing their faith in the future of Canada.

That the dreams of the promoters were fundamentally sound there is no doubt.

Within a few years all steel plants will be using, wholly or in part, the lower grades of iron ore of which Algoma has almost limitless reserves.

In this present year, Canada is using much structural steel which economically can be manufactured in Algoma.

Canada's demands for steel constantly are growing.

Algoma is well located for steel manufacture. It gets its coal cheaply by rail and water. It is within easy reach of high-grade ore and its own low-grade ore. Its limestone quarries are almost at its door. There is ample electric power.

Algoma is well located for distribution of its products. In summer, the Great Lakes lower the cost of shipment, eastward and westward to Fort William. In winter, as in summer, Algoma is best able to serve all that great and growing territory east of the Rocky Mountains.

Failures of these Algoma enterprises in the past have been extravagances of capitalization and inabilities of financial control. The propositions themselves have been, and are, fundamentally sound.

Now that adequate financial resources are assured, now that capable higher administration has been attained through the leadership of Robert Dodd and his associates, investors, new and old, in Algoma can look to the future with the utmost confidence.

Superior's Great Panorama Unfolded for Post Readers

Many people in the last few months have asked the question "What is the Lake Superior Corporation?" In this special supplement, The Financial Post has attempted, by picture and story, to unfold the complete panorama of this huge industrial corporation which has recently passed into the hands of Canadian interests.

To those who have never visited the Algoma country with its rare scenic beauty, and its tremendous economic possibilities, the story will come as a surprise, for it is an amazing story—a romance that began over 35 years ago, and which is only now coming into its own. To those who already know something of the district, there will be much that will be new and therefore of interest, because great things are happening in Algoma these days, and still greater things are going to happen in the future.

Algoma Steel Corporation Now Looks With Confidence to Achievement of Balance

Originally a Rail Mill, Plant is Yet One-Sided

$12,000,000 PLAN

New Group Would Add Structural, Sheet and Skelp Mills to Existing Plants, Giving More Diversity

They say that thirty years ago a dreamer came to Sault Ste. Marie.

They call this dreamer the Cecil Rhodes of Algoma—his real name is F. H. Clergue and he is now living in Montreal. He saw minerals and forests and water power, and conceived a gigantic project which would make the Soo the industrial centre of the province. The present capital value of his dream is about $125,000,000.

Gradually the picture began to take shape. Abundant water power; accessible iron ore; boundless pulp forests. A railway would bring the raw materials to the Soo. Mills would use the forest products. A steel plant would provide an outlet for the mineral wealth. And a power plant would supply abundant energy to all.

But let us concentrate on the steel plant, for at the present moment it is carrying the burden of the Lake Superior Corporation and upon it the major efforts of the company are concentrated.

Formed in 1901

The Algoma Steel Company was formed in 1901 and during that year ground was broken for the erection of a plant for the manufacture, for the most part of steel rails. The original equipment consisted of two small blast furnaces, each having a daily capacity of 225 tons; two five-ton bessemer converters and a mill with a daily capacity of about 750 tons. The original fuel was to be charcoal, made at Searchmont, some 30 miles north of the Soo.

The first rail was rolled on May 5, 1902, and was of 80 pounds per yard section. In order to enable the mills to operate profitably, the company obtained from the government, a duty on rails coming into Canada and also a bounty on steel manufactured from Canadian ore.

One of Twelve

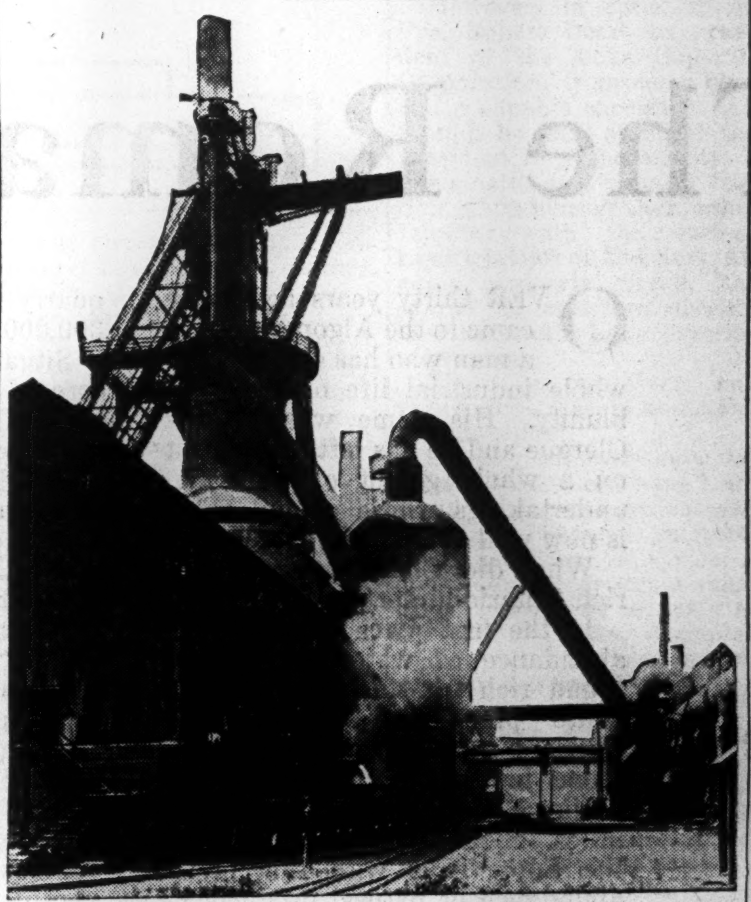
At this time, the Algoma Steel Company was a subsidiary of the Consolidated Lake Superior Company, along with no less than eleven operating subsidiaries, covering every phase of activity originally conceived by F. H. Clergue.

However, in 1903, the company found itself in financial difficulties, so a reorganization was undertaken in 1904, the aid of the provincial government being invoked through the guarantee of a $2,000,000 loan. Under the aegis of English bondholders, who were in virtual control, the whole structure was scaled down and a number of subsidiaries disposed of, including the pulp company and the power rights. Thus activity was concentrated upon the steel plant, with its sources of supply and the railways as an outlet for finished product, although since 1915 the Algoma Central Railway has been operated by the bondholders.

Expansion at the steel

(Continued on page 17)

Furnace in Full Blast Pours 780 Tons a Day



Here's a blast furnace in full blast. Its the big "number three" at Algoma, originally built with a capacity of 550 tons a day. Since then, however, there have been many improvements so that daily production has actually soared as high as 780 tons a day. To the left of the tall stack is where the coke, ore and limestone are dropped into the furnace from an endless belt. The huge steel retort in the centre is a combined dust and gas catcher, the gas being driven off and purified, and later used to drive the engines that supply power and air to "blow" the furnace.

The molten metal pouring out at the left of the furnace is slag—the scum or impurities that are driven or "skimmed" off the top of the iron before it is tapped. The furnace is tapped every four hours.

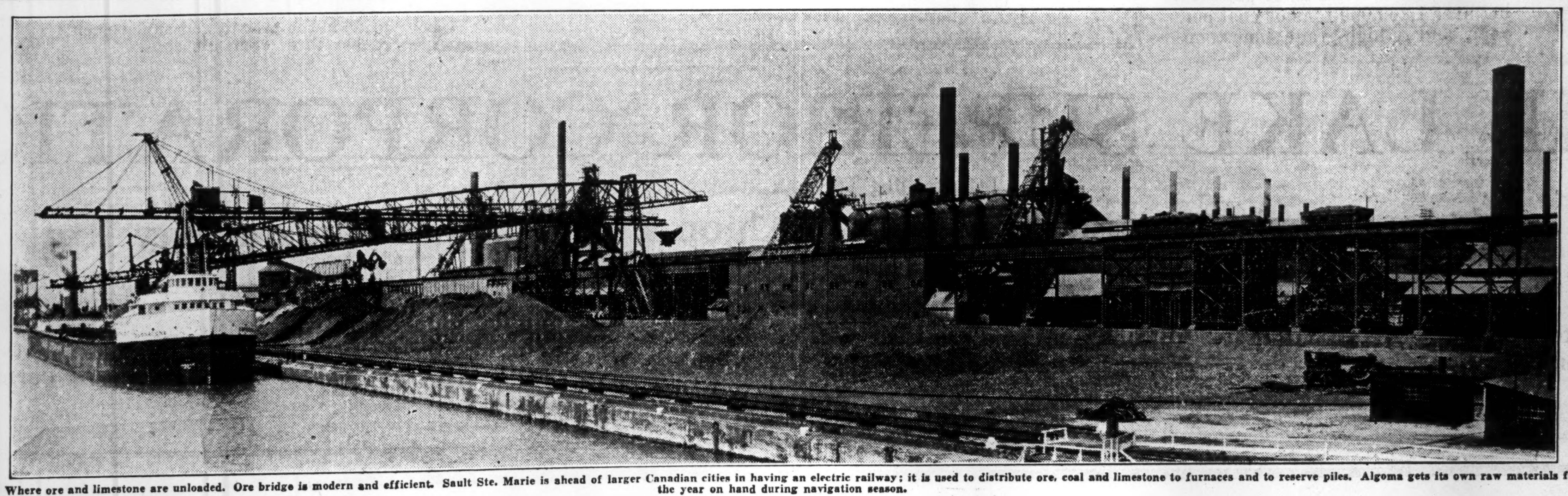
Each of the big buckets into which the slag is pouring, has a capacity of 20 tons.

Lake Superior Corporation Sells Soo, Mich., Trolleys

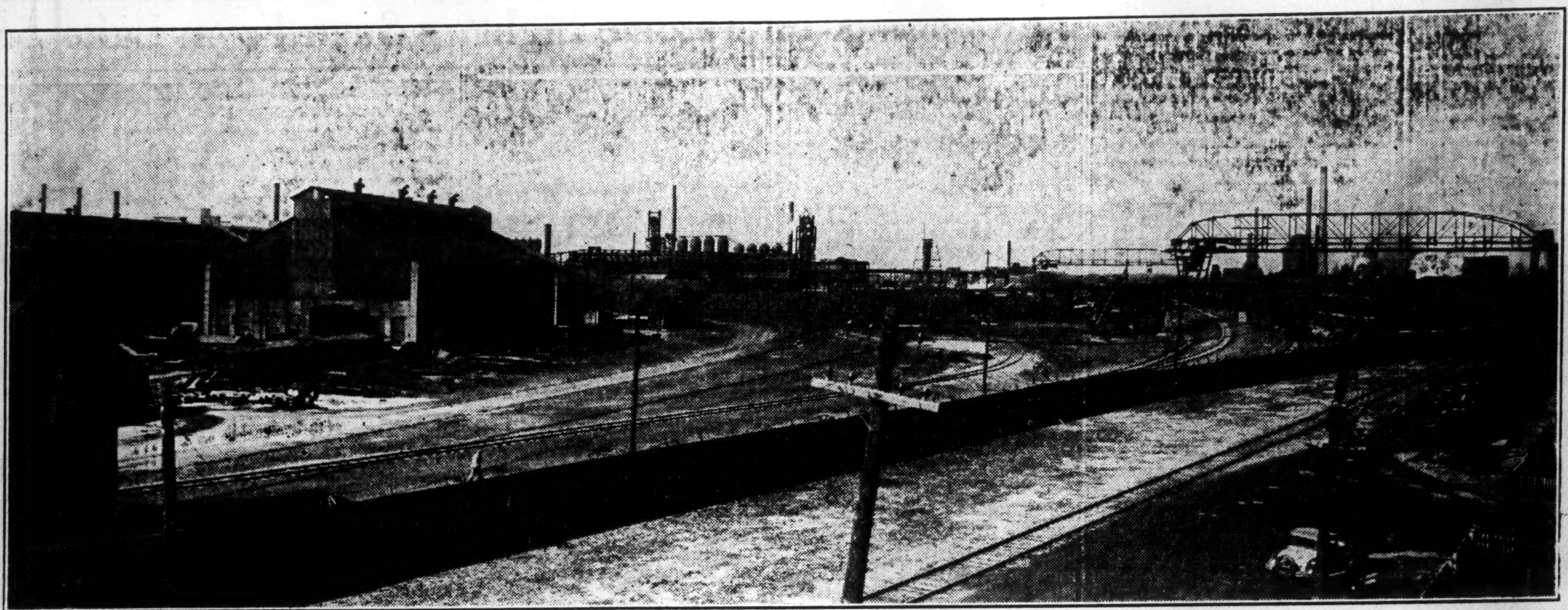
Until about three months ago, the Lake Superior Corp. owned the street railway line operating in Sault Ste. Marie, Mich., while the street railway in Sault Ste. Marie, Ont., and the ferry, are owned by International Transit Co., a subsidiary of Great Lakes Power Co.

A syndicate of business men at Sault Ste. Marie, Mich., recently have taken over the line in that city to keep it in operation in order to serve the Union Carbide and other plants. The street railway has been losing money for years and neither its old nor its new owners believe that it can be made a profitable enterprise until the community grows. In 1927, the operating loss was $757 before depreciation, and accrued depreciation was shown in the balance sheet at $39,168. The par value of Lake Superior Corporation's investment was $100,000. The corporation proposed to abandon the line.

Largest Vessels May Bring Full Loads to Docks of Algoma



Where ore and limestone are unloaded. Ore bridge is modern and efficient. Sault Ste. Marie is ahead of larger Canadian cities in having an electric railway; it is used to distribute ore, coal and limestone to furnaces and to reserve piles. Algoma gets its own raw materials for the year on hand during navigation season.



Here is the dock and blast furnaces at Algoma Steel's huge plant at Sault Ste. Marie. The steel plant is the real heart of Lake Superior Corporation at the present time, and is confident of giving a good account of itself in the near future.

The Romance of the Algomas—

OVER thirty years ago there came to the Algoma country a man who has changed the whole industrial life of the community. His name was Francis Clergue and he has left his imprint on a whole gamut of industrial undertakings whose capital value is now well over $100,000,000.

What did Clergue find in this rich Ontario hinterland?

In the first place he found an abundance of water power. He found rich forests timbered with white pine, jack pine, cedar, spruce, maple, balsam, poplar. He found indications of rich ore deposits extending for miles and miles, about 150 miles north of the Soo. Thus with this lavish abundance of natural products he began to build. He enlarged the power canal, erected the pulp mills, established the steel mills, constructed the Algoma Steel and Hudson Bay Railway, developed the iron ore mines of the Michipicoten district, and brought numerous other subsidiary industries into existence. Thus were laid the foundations for the great industries which are to be found at the Soo.

Twenty-five years later the picture has changed considerably, but out of a welter of expansion, change and reorganization, there now stand the "Three Algomas" as a monument to this early Canadian romance.

Algoma Steel Corporation

The first Algoma is the Algoma Steel Corporation. Situated at Sault Ste. Marie, it comprises a huge modern steel plant capable of an annual production of 550,000 tons of pig iron; 720,000 tons of coke; 600,000 tons of steel ingot; 300,000 tons of rails, and 90,000 tons of merchant products. In addition its wholly-owned subsidiaries include two coal mines in West Virginia capable of producing over 1,260,000 tons of coal per year, and a high-grade limestone quarry with an annual capacity of 300,000 tons.

Situated at the strategic juncture of three great lakes, Algoma Steel Corporation is literally in the heart of the Dominion. Through its sister corporation, the Algoma Central Railway, it has easy access to the Canadian West, and either by rail or water it can serve the great industrial markets of Ontario and Quebec. Already it has proved its supremacy by manufacturing the majority of rails used by the railways of Canada, while in its most recent venture—the manufacture of alloy steels for use in automobiles — it has competed successfully with the famous steel-makers of two continents.

Through subsidiaries it has ready access to raw materials, its coal mines in West Virginia supplying that commodity for use in its big coking plant. At present ore is being brought from Duluth and Superior, but eventually the Corporation will use its own tremendous reserves which are situated not 150 miles away. Limestone of the very highest grade comes from its own quarries 60 miles south of the Soo.

Algoma Central Railway

THE second Algoma is the Algoma Central Railway which operates some 340 miles of first class railway straight north from Sault Ste. Marie into the Algoma country. The road itself provides a direct outlet from the Soo to the Canadian West, and makes direct connections with the Canadian Pacific main line and with the two trans-continental lines of the Canadian National. It passes through the prettiest country east of the Rockies, and is indeed one of Canada's wonder scenic routes. Commercially it taps a country teeming with latent mineral possibilities and densely wooded with all manner of forest growth. It is a veritable sportsman's paradise, and the railway company operates attractive summer cottages for the use of tourists and summer residents at various points along the road.

At the present time the company is undertaking the erection of extensive modern docking facilities at Michipicoten Harbour, some 150 miles north of the Soo. When erected, these will provide the most up-to-date facilities for the shipment of minerals and so forth, the harbour being in the centre of the most important mineral belt in the whole district.

Algoma Eastern Railway

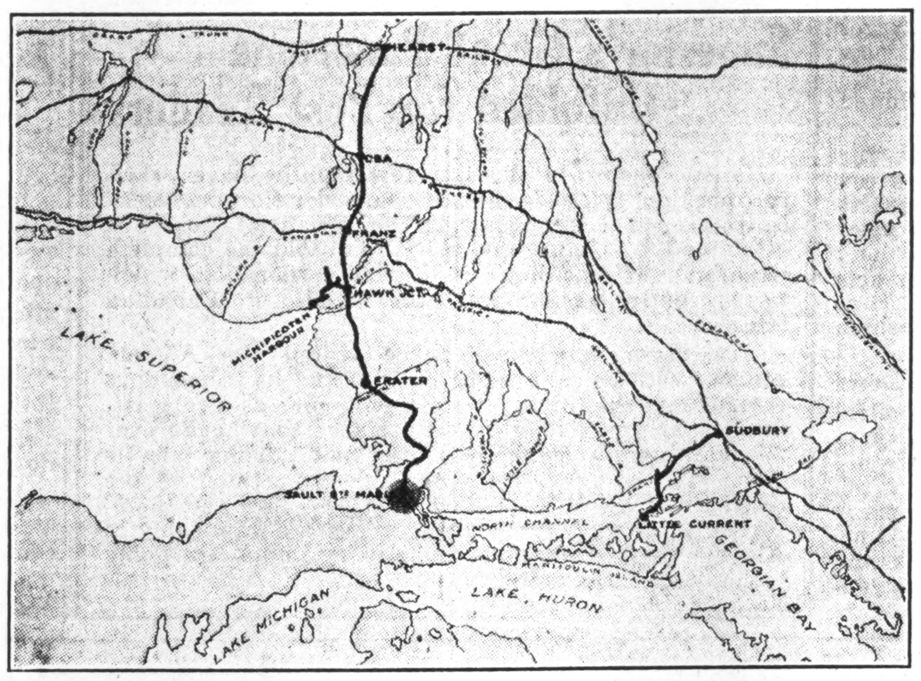
THE third Algoma is the Algoma Eastern Railway. It operates 88 miles of railway from Sudbury to Little Current, thus connecting this great nickel-copper belt with the Great Lakes waterway system. The road serves the huge industries of the International Nickel Company and the Mond Nickel Company and not only supplies them with coke and other raw materials but also provides an outlet for finished product. In addition the railway links up with the big Espanola newsprint mill of the new Abitibi Power and Paper Company and also serves as an outlet for its product.

The Algoma Eastern is also famous for the natural beauty of its scenery, and is also a favourite haunt of sportsmen and holiday-makers. It links the mainland with the grand old island of Manitoulin, which is the most beautiful of the islands of the Huron Archipelago, and which, until the construction of the Algoma Eastern Railway, was inaccessible except by steamer.

The Three Algomas

These, then, are the Three Algomas. And to-day the eyes of Canada are turning to these important units in a great organization which is coming into its own at the meeting place of the great lakes of Huron, Michigan and Superior. There is a great romance in the history of these three industrial institutions; there is greater romance in the not far distant future.

Canada's Northland is coming rapidly into its own, and the Algomas are part and parcel of this great northern movement which is growing day by day as wealth and genius are applied to the development of these abundant natural resources. And as the Father of the Algomas, Lake Superior Corporation takes no little pride in the growth and achievements of her three romantic sons.



Here is a sketch of the three main properties of Lake Superior Corporation. Algoma Steel Corporation is located at Sault Ste. Marie; the Algoma Central Railway extends north from the Soo cutting the C.P.R. main line at Franz, and the two C.N.R. transcontinental lines at Oba and Hearst respectively; the Algoma Eastern Railway extends from Sudbury to Little Current.

THE LAKE SUPERIOR CORPORATION

Controlling Through Stock Ownership

Algoma Steel Corporation **Algoma Central and Hudson Bay Ry.**

Algoma Eastern Railway

and Subsidiary Companies

Cannelton Coal & Coke Co.	Algoma Central Terminals	British America Express Co.	Fiborn Limestone Co.
Lake Superior Coal Co.	Algoma Steel Products Co.	Algoma Rolling Stock Co.	Algoma Eastern Terminals

SETUPS INVOLVED BY COMPROMISES IN TROUBLED DAY

Expedients Adopted to Please Various Holders of Bonds

HOPE IN NEW PLAN

Probability of Greater Earnings from Steel Plant Brightens Outlook for All

The financial structure of the Lake Superior Corp. has not been simplified by the various reorganizations for the reason that claims of various classes of bondholders have been conflicting to a great or les extent and this has necessitated the adoption of expedients and compromises until such time as properties began to earn sufficient to pay bond interest, or until a comprehensive reorganization could be effected which would be acceptable to all parties. Such a comprehensive reorganization would involve the influx of more capital to bring properties, especially the steel plant, to a more profitable stage. The present interests, associated with Mr. Dodd, have such a plan in the course of preparation and its success, it is believed, is assured if there are certain readjustments in the tariff.

The accompanying table is an effort to show in detail the obligations of the Lake Superior Corp. and its subsidiaries to the public.

Buys Own Bonds

Most of the prior liens on the properties are held in England, with a portion in France. The parent corporation has from time to time bought in a number of its own income bonds, of which there were, a year ago, $2,256,850 outstanding.

The $5,800,000 of purchase-money bonds of Algoma Steel Corp. are not shown in the total obligations to the public for the reason that the whole of this issue is owned by Lake Superior Corporation. Against these the Lake Superior Corp. has issued its $5,278,000 of first mortgage and collateral trust bonds. In the event of liquidation of Lake Superior Corp. and the retirement of its bonds, the purchase-money bonds would, of course, remain a first charge against Algoma Steel Corp.

Other Securities

Other securities held by Lake Superior Corp. are of problematical value, consisting of second mortgage, or income, bonds of Algoma Central and preference and common stocks of various subsidiaries. The only stock on which a dividend is normally paid is that of British America Express Co. The parent corporation received 5½ per cent. on its $100,000 of stock in the year 1927 and it is believed that this company's earnings will grow, especially if there is the expected development of precious-metal mines along the Algoma Central.

As will be noted by the second of the accompanying tables, the par value of the investments of Lake Superior Corp. is $38,272,800, or within $2,000,000 of the par value of the total of issued stock of that corporation, while the book value is $46,478,882, or in excess of the par value of the bonds and the stock of the corporation.

Lake Superior Corporation and Subsidiaries

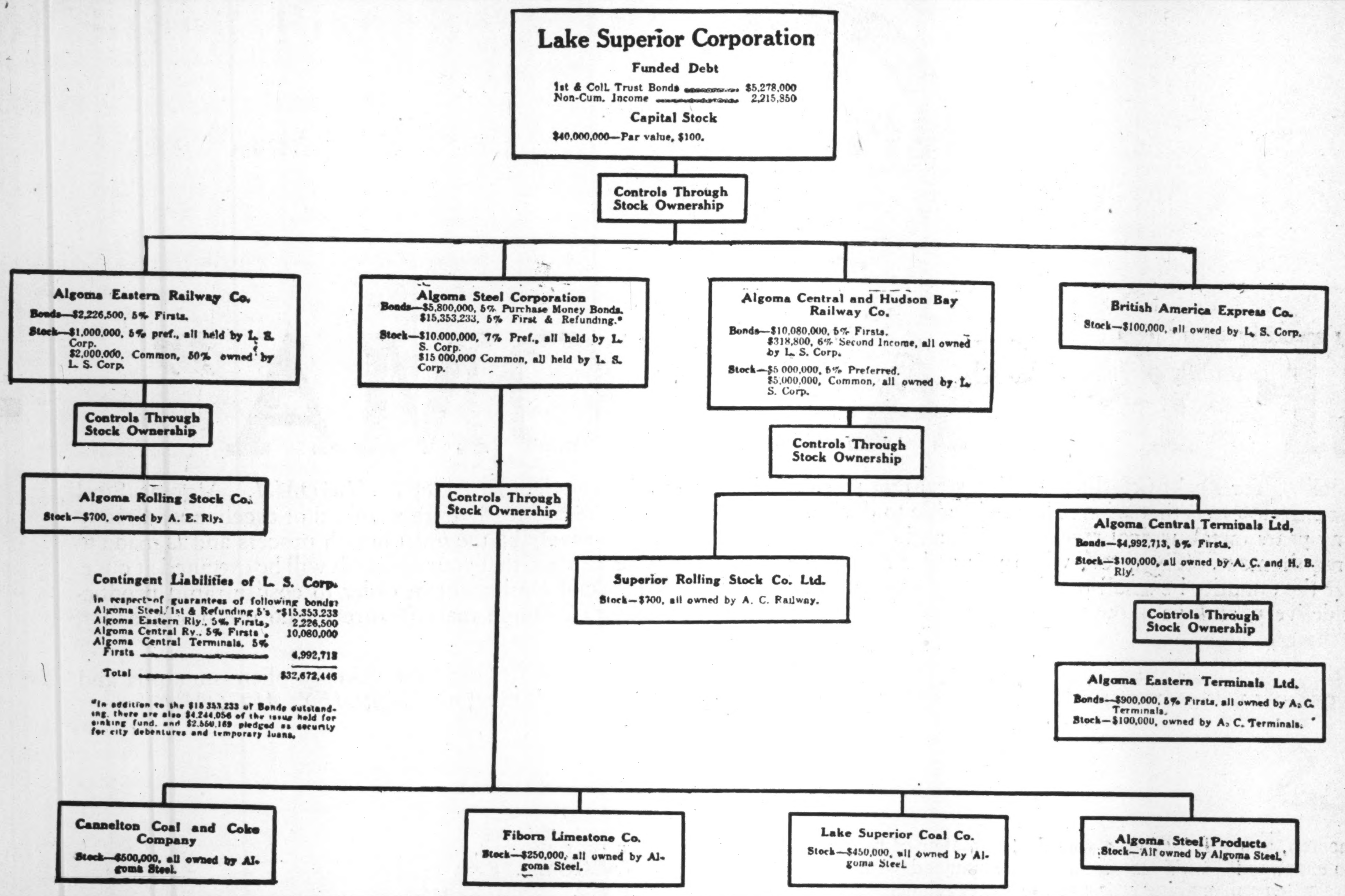
Securities in Hands of Public as at June 30, 1927

Lake Superior Corp.—			
First Mortgage and Collateral Trust 5%		$5,278,000	
Income Bonds		$2,256,850	
			$ 7,534,850
Bonds of Subsidiaries			
Algoma Central Railway—			
First Mortgage 5% Terminal 50-year Bonds		$ 4,992,713	
First Mortgage 5% 50-year Bonds		$10,080,000	
†Second Mortgage 6% 50-yr. Income Bonds		318,800	
5% Non-cumulative Preferred		$ 5,000,000	
			$20,073,513
Algoma Eastern Railway—			
First Mortgage 5% Bonds		$ 2,226,500	
*Terminal Bonds	$ 900,000		
†Preferred Stock	$1,000,000		
†Common Stock	$1,000,000		
Common Stock		$1,000,000	
			$ 3,226,500
Algoma Steel Corp.—			
†5% Purchase Money Bonds	$5,800,000		
First and Refunding 5% Mortgage		$15,366,373	
Cannelton Coal 5% Bonds		148,000‡	
			$15,514,373
Stock of Lake Superior Corp.—			
Common, par $100		$40,000,000	
			$40,000,000
Total obligations to public			$86,349,236

*Owned by Algoma Central Terminals.

†Owned by Lake Superior Corp. ‡As at July 1, 1928.

Relationship of Different Companies in Lake Superior—Algoma Group


Lake Superior Corporation
Funded Debt
1st & Coll. Trust Bonds $5,278,000
Non-Cum. Income 2,215,850
Capital Stock
$40,000,000—Par value, $100.
Controls Through Stock Ownership
Algoma Eastern Railway Co.
Bonds—$2,226,500, 5% Firsts.
Stock—$1,000,000, 5% pref., all held by L. S. Corp.
$2,000,000, Common, 50% owned by L. S. Corp.
Algoma Steel Corporation
Bonds—$5,800,000, 5% Purchase Money Bonds.
$15,353,233, 5% First & Refunding.*
Stock—$10,000,000, 7% Pref., all held by L. S. Corp.
$15 000,000 Common, all held by L. S. Corp.
Algoma Central and Hudson Bay Railway Co.
Bonds—$10,080,000, 5% Firsts.
$318,800, 6% Second Income, all owned by L. S. Corp.
Stock—$5 000,000, 5% Preferred.
$5,000,000, Common, all owned by L. S. Corp.
British America Express Co.
Stock—$100,000, all owned by L. S. Corp.
Controls Through Stock Ownership
Algoma Rolling Stock Co.
Stock—$700, owned by A. E. Rly.
Controls Through Stock Ownership
Controls Through Stock Ownership
Superior Rolling Stock Co. Ltd.
Stock—$700, all owned by A. C. Railway.
Algoma Central Terminals Ltd,
Bonds—$4,992,713, 5% Firsts.
Stock—$100,000, all owned by A. C. and H. B. Rly.
Controls Through Stock Ownership
Algoma Eastern Terminals Ltd.
Bonds—$900,000, 5% Firsts, all owned by A. C. Terminals.
Stock—$100,000, owned by A. C. Terminals.
Contingent Liabilities of L. S. Corp.
In respect of guarantees of following bonds:
Algoma Steel, 1st & Refunding 5's *$15,353,233
Algoma Eastern Rly., 5% Firsts 2,226,500
Algoma Central Ry., 5% Firsts 10,080,000
Algoma Central Terminals, 5% Firsts 4,992,713
Total $32,672,446
*In addition to the $15 353 233 of Bonds outstanding, there are also $4,244,056 of the issue held for sinking fund, and $2,550,169 pledged as security for city debentures and temporary loans.
Cannelton Coal and Coke Company
Stock—$500,000, all owned by Algoma Steel.
Fiborn Limestone Co.
Stock—$250,000, all owned by Algoma Steel.
Lake Superior Coal Co.
Stock—$450,000, all owned by Algoma Steel.
Algoma Steel Products
Stock—All owned by Algoma Steel.

Lake Superior Corporation Owns Stock of Subsidiaries

DETAILS OF BALANCE ON INVESTMENT ACCOUNT AS AT 30TH JUNE, 1928

SECURITY		Par Value
ALGOMA CENTRAL & HUDSON BAY RY. CO.		
Common Stock—50,000 Shares of $100 each	$5,000,000	
Second Mortgage 6% Bonds	318,800	
		$5,318,800
ALGOMA EASTERN RAILWAY COMPANY.		
Common Stock — 10,000 Shares of $100 each	$1,000,000	
Preference Stock—10,000 Shares of $100 each	$1,000,000	
		2,000,000
BRITISH AMERICAN EXPRESS COMPANY.		
Common Stock—1,000 Shares of $100 each		100,000
ALGOMA STEEL CORPORATION, LIMITED.		
Common Stock—150,000 Shares of $100 each	$15,000,000	
Preference Stock—100,000 Shares of $100 each	10,000,000	
Purchase Monev 5% Bonds	5,800,000	
		30,800,000
TOTAL PAR VALUE		$30,800,000
BOOK VALUE AS AT 30TH JUNE, 1928, as per Balance Sheet		$38,218,000

SUPERIOR FULL OF PROMISE FOR THOSE WHO HAVE FAITH

(Continued from page 15)

dition, but its future at the moment hangs almost entirely upon mineral developments in the district which it serves and upon increased business from Algoma Steel.

The latter source of profit at the moment is full of promise. As to the former, it seems just a question of time before really big things begin to stir. Even now plans are under way for a half million dollar harbor at Michipicoten and the whole district is humming with potential activity. The next few years will tell the tale. That the district has tremendous mineral possibilities there can be no doubt. At the moment, many of these have proved commercially feasible, but owing to the nature of the ore have been abandoned for cheaper and less complex ore bodies. The picture may change almost overnight. One definite criticism that has been levelled at the present operators is that too much money is being ploughed into equipment and upkeep, in view of the very small amount of traffic. Eventually this policy should prove valuable, however.

Finally there is the Algoma Eastern, eighty-eight miles of line between Sudbury and Little Current, serving chiefly the large mining companies operating in that field. It taps the heart of this great nickel and copper belt, and opens the gateway for them to the Great Lakes.

There seems no doubt that its worst days are behind it, and it will undoubtedly continue year by year to improve its position.

All Are Making Progress

These three, then, are the chief sources of revenue for Superior Corporation and all of them are coming into their own slowly but surely. It is not the policy of the present owners to make rapid and revolutionary changes in the companies they have recently acquired, but definite plans have been worked out, which over a period of probably five years, should put these properties in first class financial condition and build a foundation for steady, consistent earning power, year by year.

New Capital Structure

At the moment, progress depends upon two things. First a re-alignment of the capital structure, which will include the creation of a new Canadian holding company and a new no-par value stock. This will in all probability be carried out within the next two months, subject of course, to the approval of the shareholders.

Secondly, there is the company's tariff application on behalf of Algoma Steel which is to be submitted to the government this fall. On all the points involved the company should receive consideration from the government in its effort to build up a well-balanced property that can supply structural and alloy steels to the Canadian trade. The tariff story has become considerably clearer now that the company has confined itself to items in which it alone, of the Canadian steel companies, is concerned.

Until these matters are settled, there will not be much change from the present "status quo." However, with a favorable tariff solution, the company has committed itself to a definite plan of building up the Algoma Steel property over a period of a few years, at a total estimated expenditure of about $12,000,000.

No decision as yet has been made as to what will happen to the Algoma Central, now in the hands of the bondholders.

In the meantime, there is every indication that Algoma Steel will continue to improve its position, although as already pointed out it can never achieve a full measure of success in its present unbalanced condition.

Lake Superior is coming back. The properties both in plan and operation are basically sound though the last twenty years have almost proved too much for them. By and large the company is not yet out of the woods, but there is light ahead, and five years from now its troubles should be well behind it.

ALGOMA STEEL LOOKS WITH CONFIDENCE TO ACHIEVEMENT

(Continued from page 15)

plant was undertaken in 1907 by the construction of three open hearth steel-making furnaces of 45 tons capacity. The rail mill was enlarged to a capacity of 1,200 tons, and merchant mills of 12 and 18 inch diameter, and a billet mill were subsequently added.

In 1912, most of the subsidiary companies of Lake Superior Corporation, which superseded the defunct Consolidated Lake Superior Company, were incorporated as the Algoma Steel Corporation under an Ontario charter—the present operating company.

Pioneers in Alloys

Almost every year found additions and changes being made to the property. A few years ago the company pioneered in Canada the manufacture of alloy steel which is used very extensively in automobiles. To-day, the company supplies the majority of automobile companies in Canada with their alloy steel requirements, and as a result, Algoma Steel has built up an exceedingly enviable reputation, not only among Canadian manufacturers, but also among the United States users.

New blast furnaces have been added — there are now four in all. The coke plant soon became a necessity and now produces 2,000 tons of coke per day. Then a whole battery of plants had to be erected to handle the by-products of the coking ovens. To-day a new benzol plant is being constructed to utilize another by-product.

Much Raw Material

In the matter of raw materials, the company is served by two subsidiary coal companies, and a limestone company, and in addition, has at its disposal, some 100,000,000 tons of low-grade iron ore, on the shores of Lake Superior, some 150 miles north of the Soo. The two coal companies which are situated in West Virginia, have a total capacity of 1,260,000 tons of coal per annum, and are at present operating at between 75 and 85 per cent. of capacity. There are some 5,000 acres in Kanawaha and Fayette counties and an additional 2,100 acres of pocahontas land in McDowell county.

The limestone quarry is of exceptionally high-grade and is situated in North Michigan, about 60 miles from the Soo. It has an ultimate capacity of 300,000 tons and last year produced over 192,000 tons of product.

Conditions Changing

At present the steel plant purchases its ore from Duluth and Superior, but eventually, perhaps within the next five years, it will turn once more to its own tremendous ore reserves in the Algoma country, north of the Soo. Being a somewhat lower grade of ore, with a certain amount of sulphur content, its use is not economically feasible until the production of the steel plant is materially increased, and the richer ores in the United States are exhausted. Indications point to the conclusion that both these factors will be operating very strongly in favor of Algoma within the next few years.

Well Located

As far as location is concerned, the plant is exceedingly well located to serve the Canadian market from Montreal to Vancouver. Shipping facilities to all points on the Great Lakes are available from the company's own docks, and this advantage will be even enhanced when the St. Lawrence waterway materializes. Direct rail connections are made with the C. P. R.; Minnesota, St. Paul and Sault Ste. Marie R. R.; the Duluth South Shore and Atlantic Railway; and the Algoma Central — this latter road also makes direct connection with the C. P. R. main line and the two western lines of the Canadian National.

Praying for Mill

There is still a fly in the ointment, however. Ever since 1918, Algoma Steel has been hoping and praying for its new combination rail and structural steel mill for rolling 130 lb. rails and structural steel up to a 24-inch beam. Such a mill is necessary for a well-balanced plant. The plans have been ready for over ten years now, and back in 1918-1919 everything looked rosy for its completion. Over $2,000,000 was spent at that time to lay the foundation and everything was apparently clear sailing. But the war stopped with a sudden jerk and temporarily the dream faded away. The money that was being set aside for the purpose had to be used in other ways.

To-day interest has revived, with the bringing of control back to Canadian hands, and with the steady improvement in the company's position, Algoma's, or perhaps Clergue's dream, of a well-balanced steel plant seems very likely to come true.

A $12,000,000 Plan

The first step will be a definite drive on the government at Ottawa to seek protective consideration of the company's efforts to establish a really sound steel industry on the Great Lakes. Granted this materializes, the present plans call for an ultimate expenditure, over a few years, of about $12,000,000 and will include, in addition to the new structural and rail mill, a 50,000 ton sheet mill, diversified for stamping, roofing, and so forth; a complete overhauling of the merchant mill to increase present capacity by 100 per cent. and allow a wider range of products; and finally a combination skelp and strip mill. This is what Algoma is banking on now.

At present, on the primary side of steel production, the mill is second to none in Canada.

Its blast furnaces, coking plant, dock facilities and open hearths are in perfect shape and alignment to keep up the steady hum of production, 365 days in the year, and 24 hours a day. But at the present moment the finishing mills are quite inadequate to keep the hearths and blasts in continual operation. The only products are rails and small merchant bars and alloy steels, and the demand for these in Canada is not sufficient as yet to warrant full-time operation.

But Algoma's day is dawning. It may not be this year, nor even perhaps next, but over a five-year period, it should come into its own—and when it does it will be a great day.

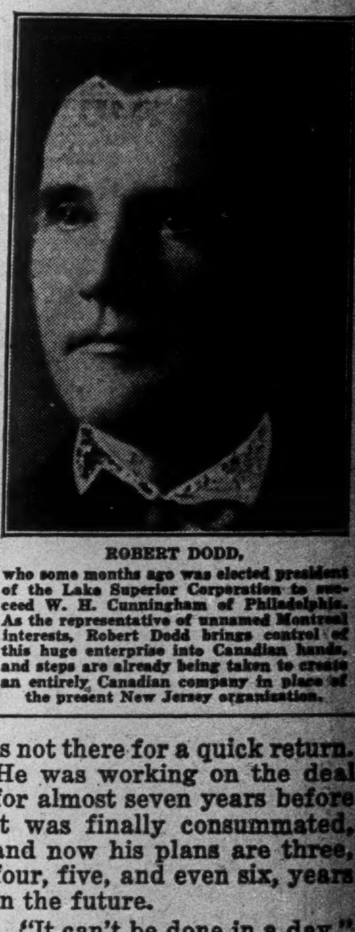
New Superior Head Inspires Confidence in Spite of Mystery

Robert Dodd Still Holds the Secret of Control

JOB WELL DONE

Esprit de Corps Under New President Has Increased at Big Soo Plants

Now President



ROBERT DODD, who some months ago was elected president of the Lake Superior Corporation to succeed W. H. Cunningham of Philadelphia. As the representative of unnamed Montreal interests, Robert Dodd brings control of this huge enterprise into Canadian hands, and steps are already being taken to create an entirely Canadian company in place of the present New Jersey organization.

Robert Dodd is the mystery man of Lake Superior Corporation.

A year ago hardly anyone knew anything of this investment banker whose office used to be in a little corner at the back of the Transportation Building in Montreal. To-day, in spite of the fact that his name appears almost daily in newspapers throughout the Dominion, he is still a man of mystery.

Some day the cat will out of the bag, but for the present at least there is a deep veil of mystery concerning the interest or group which Robert Dodd represents. Some people know and will not tell; most people do not know at all.

A Capable President

However, in spite of all this, Robert Dodd, as president of the Lake Superior Corporation, is proving himself a capable executive. Although he only assumed the presidential responsibility a few months ago, he has in that time made himself thoroughly familiar with the various ramifications of the new Algoma property, and has spared no effort in digging himself into the Lake Superior atmosphere.

There is, moreover, one very unique feature about the new president.

In the past, when new interests (and there have been many of them) have entered the Lake Superior picture, there has been, as a rule, a concomitant reorganization of personnel and officials at the various plants. A similar feeling of uneasiness and insecurity has prevailed, as if a new political party had come into power at one of our gubernatorial headquarters.

But the Dodd policy has been a strict regime of status quo. That is, of course, so far as personnel is concerned.

Esprit de Corps

As a result of this exceedingly wise policy there is a splendid feeling of loyalty and co-operation among all the members of the various Superior properties, and the fact that this extraordinary esprit de corps, which characterizes the Superior personnel has been increased rather than diminished under Dodd's aegis, is a matter worthy of more than passing consideration.

Then, of course, the fact that the president and directors are now taking an active and personal interest in the business which they control is, indeed, a good thing for the success of the corporation. Under Robert Dodd there has been established a personal contact and a confidence in the new controlling interests that augurs well for the future, especially as there has as yet been no announcement as to who these interests really are.

With Robert Dodd the Lake Superior Corporation is a long-hold proposition. Dodd is not there for a quick return. He was working on the deal for almost seven years before it was finally consummated, and now his plans are three, four, five, and even six, years in the future.

"It can't be done in a day," is a favorite saying of his, "We've got a wonderful property, but it's going to take time to do the job thoroughly."

As for Robert Dodd himself he is a Maritimer, born in Prince Edward Island, and tremendously proud of his ancestry, which dates back to 1775. At the age of 20 he left his Cherry Valley birthplace and found his way to New York. Five years he served his apprenticeship with one of the large trust companies in that city and then struck out for himself in the city of his adoption—Montreal.

Alabama Traction

For nearly twenty years he worked quietly along in the small office in the Transportation Building on St. James Street, dabbling chiefly in the rehabilitation of corporations such as Lake Superior which were in a more or run-down condition. One of these—the Alabama Traction—is his particular pet, and he is never tired of telling the romantic story of how a stock which once sold at $7 a share now pays $10 annually in dividend.

To-day he not only has a new job, and a new office, but a new pet, and if you are inclined to feel pessimistic about the future of Lake Superior Corporation, the best tonic would be a visit to its most enthusiastic supporter—Robert Dodd.

Benzol Plant Will Operate During October

Work is being rushed on the new benzol plant at Algoma Steel.

Originally it was intended to have the plant in operation by November 1st, but excellent progress has been made and it is now expected that the plant will be operating by the middle of October. The plant is, more or less, the opening shot in a series of improvements which have been proposed and will be carried out by the new Canadian group which recently took hold of Lake Superior Corporation and its various subsidiaries.

The plant will use still another of the various by-products obtained from the coke ovens which are, of course, kept in operation twenty-four hours of the day and 365 days a year.

The market for benzol is growing very rapidly these days with the introduction of high compression motor fuels. It is expected that approximately two gallons of gasoline will be produced from each ton of coal burned. As the daily production at Algoma is approximately 2,500 tons, this will mean something like 5,000 gallons of gas a day when the plant gets underway. At current prices of approximately 20 or 21 cents per gallon, this would mean an additional source of revenue of something like $1,000 per day.

QUALITY FIRST
ALGOMA
SAFETY-SERVICE

SPECIFY "ALGOMA" - -

If you are looking for steel of sterling quality, steel that you can absolutely rely on—then *SPECIFY ALGOMA.* Algoma Steel has stood the most exacting tests that science has been able to devise. It has reached a pre-eminently high standard of excellence, directly as a result of many years metallurgical research work and experiment. It is made exclusively by the open hearth process and is made to suit your every requirement. Then, too, when you order from Algoma, you may be assured that your demands will be executed at once, no matter whether the quantity be small or of tonnage capacity. We have installed special equipment in order to ensure rapid production and prompt delivery, and we know that if your name is added to the list of leading Canadian manufacturers who use our product, you will receive the utmost in quality and service.

Not only is this true of Algoma Steel, it is equally true of Algoma's other products such as pig iron, coke, sulphate ammonia and so forth. Every product that bears our trademark carries with it the hallmark of quality. Therefore—*SPECIFY ALGOMA*

RAILS

Algoma pioneered, and still leads the way, in the matter of rails. Next time you cross a railway track, take the trouble to examine it — it's almost sure to be stamped with the mark of quality — **ALGOMA.** Even in the early days when rail making was not the exact science that it is to-day, Algoma was jealous of her reputation as the finest rail maker in Canada, and in fact it was Algoma that originally suggested the famous "nick and break test" that is now standard in all rail mills. We manufacture every type of standard section up to 105 pounds per yard, and there is hardly a Canadian railway that does not use Algoma rails — and many of them specify Algoma exclusively.

COKE

Algoma coke is a domestic product that has sprung into eminence since we actively entered the commercial and domestic market. It is not a substitute, but is a real alternative to anthracite, and offers pound for pound more available heat units, at lower cost. It will do everything that anthracite will do — and do it better. A cheaper, better fuel, which offers smokeless combustion and relief from domestic drudgery. Our new screening plant can supply every domestic need, and in addition we have available a quantity of special furnace coke for commercial purposes that is a quality product in every sense of the term. May we quote you our prices?

PIG IRON

If you want tougher and better castings, you will find that Algoma Pig Iron is an ideal mixture that will give the utmost satisfaction. Every casting that leaves our plant is strong, dependable and free from blow holes, pin holes and other such defects. Like our other Algoma products, you can depend on this pig iron, and furthermore you will find it extremely economical, both as to initial cost and as far as durability is concerned. We keep a complete supply of every grade at our shops and can serve you immediately with whatever you require, be it foundry, malleable or basic. Foundry pig iron comes in four grades, malleable in two, and basic in standard grade, so that your needs will be well cared for. Just specify **ALGOMA.**

ALLOY STEEL

If you want a steel that gives, flexes, but does not break — one that will resist shock and show strength where the stress comes — then specify **ALGOMA ALLOY.** We have pioneered in this particular field in Canada, and Algoma Alloys are now used by practically every Canadian automobile manufacturer in Canada. Algoma Alloy Steels are all open hearth and are supplied in hot rolled bars or billets. We specialize in six varieties: chrome, chrome molybdenum, chrome vanadium, chrome nickel, nickel, and vanadium. They have 25 to 100 per cent. greater strength than carbon steels, and have greater hardness per unit of cross-section with no loss in ductility. Their use is growing in many fields, and already pleasure cars, trucks, locomotives, steamships, bridges, power generating equipment, etc., are taking their share of alloy steel and are demonstrating its value and economies. Be sure to specify **ALGOMA.**

MARK OF ALGOMA O.H. QUALITY

OTHER PRODUCTS include all sorts of **MINING EQUIPMENT** such as Light Mine Rails in sections from 12 pounds to 45 pounds inclusive; Algoma Special High Carbon Grinding Rods, supplied in all sizes of rounds and carefully straightened; Algoma Heat Treated and Quenched Crusher Balls, 5 inches in diameter; Fishplates, supplied from stock in all sections 12 to 35 lb. **SPECIAL STEELS** — we supply all structural and bar sections of Special Silicon and Carbon Steel, and also Silico Manganese Spring Steel (S.A.E. Series 9200) in all sizes, round, square and flat. We furnish flat sections with square edge, bevel edge or round edge. **LOCOMOTIVE COMPANY SUPPLIES** such as Locomotive Spiral Spring Steel in all sizes from ½ inch to 4¾ inches in diameter (both inclusive); and Locomotive Flat Spring Steel in all sizes from 1 inch by 3/16ths to 8 inches by 2 inches, both inclusive. **MERCHANT STEEL** — of all description, angles of equal and unequal leg, beams, channels, Z-bars and rounds, squares and flats. Concrete Reinforcing Bars in structural or hard grades. Railway Supplies such as steel angle bars and 100 per cent. Joints; Steel Tieplates — Lundie, Sellers and Compression Bottom types, fitting all standard rail sections; Track Bolts and Nuts in 224-lb. standard casks. **AUTOMOBILE STEELS** for special parts, springs, bumpers and so forth, — all sizes furnished.

Another important line of product is **SULPHATE OF AMMONIA.** This very valuable by-product of the Algoma coke ovens has been developed to a marked degree of excellency and is shipped in large quantity to the West Indies, China and Japan. Algoma sulphate comes in bulk or is packed in single or double bags for export. It has a minimum ammonia content (guaranteed) of 25.25 per cent.; a maximum moisture content of .25 per cent. and free acid nil to trace. Sulphate of Ammonium for use in fertilizer is the most efficient of the ammoniates. All its nitrogen is soluble and available. It acts quickly and continuously without gorging the plant, and its does not leach or wash out readily. It is chemically suited for use with other fertilizer ingredients, in that it does not cause loss of nitrogen or reversion of acid phosphate, nor does it absorb moisture and therefore cause the fertilizer to cake in the bag. By specifying Algoma sulphate you are assured of the very highest quality obtainable.

MARK OF ALGOMA O.H. QUALITY

The ALGOMA STEEL CORPORATION Ltd.

SAULT STE. MARIE, ONTARIO

(HEAD OFFICE AND WORKS)

Montreal
HEAD SALES OFFICE

Toronto
ONTARIO SALES OFFICE

Ill Luck Dogged Soo Vision Yet Dreams of Promoter Fruit of Sound Planning

Francis Hector Clergue Saw Opportunities in Algoma

FUTURE BRIGHTER

New Capital, Sane Financial Control, Reasonable Tariff, Will Place Industry on Safe Basis

By J. GEORGE JOHNSTON

When Francis Hector Clergue first saw Sault Ste. Marie, in 1894, it was an undeveloped community with a saw mill, a canal, and a railway connection with the State of Michigan and Sudbury to the southeast. Between then and 1903 he had induced United States financial interests, principally in Philadelphia, to invest nearly $100,000,000 to develop the district; the Consolidated Lake Superior Corp. was capitalized at $117,000,000, of which $35,000,000 was preferred and $82,000,000 common stock.

Many more millions—this time from England and France, largely England—have been put into the various properties. Original investors lost nearly everything.

$94,000,000 is Par Value

To-day, the bonded indebtedness of the various properties totals $40,000,000, overdue interest on railway and railway-terminal bonds amounts to $7,806,056, stock in hands of public is $6,000,000 and the issued capital stock of the Lake Superior Corp. has a par value of $40,000,000. Thus debt and capital amount to $94,000,000.

In discussing the beginning of the steel industry at Sault Ste. Marie, one writer states that Francis Hector Clergue possessed "unbounded imagination, initiative and confidence." He had all the assets and all the liabilities of the promoter. He assembled capital with amazing ease for a number of years and assembled construction gangs regardless of cost. He began scores of enterprises and got few, if any, to a profit-making stage and just a few to an operating stage.

His initial vision was the hydro power which was largely going to waste in the St. Mary's River. He got from the government the right in perpetuity. Having developed power he needed customers for that power. He started the paper mill which was first a groundwood pulp mill. He started an Algoma iron works. He started a plant to produce sulphuric acid. He started a lumber business. He started two steam railways and a street railway. He bought two hotels. He hired prospectors by the day to find precious metals in the Algoma district. He started in the steel business with experts working to find a means of saving sulphur in the production of nickel, found that the residue was high in iron content. Hematite, high-grade iron ore, was discovered at the Helen mine in 1897 and Clergue decided to produce iron to be used with ferro-nickel.

Complicated Bookkeeping

He got charters for the Algoma Central and Algoma Eastern Railways and had these partially completed when the crash came in 1903. But before then he had conceived the idea of the railway going through to James Bay and bringing fish down from those waters to feed sea-food loving people in the Central States. He organized the Algoma Commercial Co., as a subsidiary of the Consolidated Lake Superior Co., as a contracting and development company doing the hundred-and-one odd jobs and big jobs for the other companies. Nothing escaped his attention and every project was backed with ample funds.

Mr. Clergue had vigor and vision and sincerity and he was able to breed confidence in his backers for a number of years. But he apparently had the fatal faults of so many promoters — capital that came easily was spent not to the best advantage; projects conceived and planned were not carried to completion soundly. The Algoma district at last appeared to Philadelphia investors as a bottomless pit into which money flowed and did not return.

Inter-company bookkeeping became complicated. Money was borrowed and loaned from one account to another. But cash began to be scarce. New York bankers who had loaned $5,050,000, demanded repayment. That precipitated the crash that eliminated, in 1904, the Consolidated Lake Superior Company, capital $117,000,000, and created in its stead the Lake Superior Corporation of New Jersey with its present funded debt of $8,000,000 and its capitalization of $40,000,000.

Philadelphia control was wiped out in the 1904 reorganization and New York interests headed by Charles E. Orvis assumed control with S. D. Warren, president of the Traders Bank of Canada, as president and representative of the Ontario Government which had advanced $1,000,000 to keep the project alive.

Default in agreements with English bondholders brought the London firm of Robert Fleming & Co. into the picture in 1909, in subsequent years this firm being represented on the board by W. K. Whigham and J. Frater Taylor. Mr. Taylor came to Canada and for a number of years virtually controlled the operations at Sault Ste. Marie, in so far as finances were concerned.

New capital went into the railways and the steel plant, and other enterprises, excepting the traction system in Sault Ste. Marie, Mich., either were sold or were let go by default.

Among these enterprises were most of F. H. Clergue's projects on the United States side of the river.

The policy of the English control at this time appears to have been to scale down the operations and to build up the steel plant and its sources of supply and the railways. In accordance with this, the Lake Superior Power Co. was sold to the Insull interests, who thus acquired the right in perpetuity to develop power from the St. Mary's rapids on the Canadian side and the power development on the United States side, in the hands of receivers, also was allowed to go.

Some Properties Sold

The Lake Superior Co., then only a pulp mill, was sold and became one of the important units of the Spanish River Pulp & Paper Co. Along with the paper company went an inter-company contract whereby the maximum return to the Algoma Central from pulpwood on its lands was limited to 50 cents per cord, compared to the present government minimum rate of $1.40 per cord, and, what was a worse loss, the railway was not even assured the traffic in carrying the pulpwood from its own lands to the mill at Sault Ste. Marie. In recent years, the Spanish River Company has found means of floating the logs down the various rivers to Michipicoten or other ports along the Lake Superior shore, and towed thence to the mills. What is a substantial saving over freight rates on the Algoma Central is a substantial loss in actual and potential revenue to the Algoma Central.

However, new rail orders for the transcontinental lines being built brought much business to the Algoma Steel Corp. from 1908 until the beginning of the war and it seemed as if the Lake Superior Corp. was at last on the way to become a financial success.

In this time, the Canadian Agency, an English company investing in enterprises in this country, quietly had acquired control of Lake Superior Corp. through purchase of stock in the open market. The New York interests had relinquished it, perhaps unknowingly. The Canadian Agency also underwrote bonds and otherwise served as a financial agent for projects in which it was interested. But it was spreading itself too thinly and it crashed with heavy losses to all concerned on July 21, 1914. It owed Algoma Central Terminals some hundred of thousands of dollars for bonds which had been sold to the public but which had not been paid for.

And here, Philadelphia interests again appeared. The resources of Canadian Agency were thrown on the market and the Philadelphia group, including some persons who had been interested in Clergue's day, bought enough stock again to control the enterprise.

The 1914 crash of Canadian Agency was a severe blow, especially to the Algoma Central, and the corporation was in a bad way for a year or two because the beginning of the war automatically suspended all railway construction in Canada. The rail mill was shut down. Stock of Lake Superior Corp. was deposited for two years with the trustees for the bondholders in England as security for overdue bond interest. If, at the end of two years, interest was still in default, the stock was to have been forfeited.

It did not look as if there was a hope that the Lake Superior Corp. ever would be able to get its stock back; it looked as if the bondholders would get final and irrevocable control.

Steel for Munitions

But 1915 and 1916 saw a demand for munitions. If the Soo plant could not get orders for steel rails it did get orders for shell steel, at good prices. The demand was constant for nearly three years. The blast furnaces, the Bessemer plant, the duplex and open hearths were operated night and day. By the end of 1916, the Lake Superior Corp. was ready to redeem its deposited stock. Control once more was safely in Philadelphia.

Shell orders came to an end. Rail orders were slow in being renewed. The merchant mills were inadequate and obsolete. Satisfaction of overdue obligations had not left a wide margin for improvement of plant. In the years immediately following the war, things were quiet at Sault Ste. Marie.

Yet with the rehabilitation of national prosperity and the indefatigable energy and enthusiasm of the executive personnel, the outlook for Algoma Steel Corp. steadily has been improving since 1922 or thereabouts. Bond interest payments of Algoma Steel and of Lake Superior Corp. have been maintained and money has been spent wisely in improving the existing facilities at Sault Ste. Marie. A modern screening plant has been installed which has enabled the company to market increasing quantities of coke for domestic purposes; the varieties of steel produced from the merchant mills have been increased in number;

Now, for the first time, Canadian financial interests step into the picture. Early this spring, it was announced that a Canadian group represented by Robert Dodd of Montreal, had secured control of Lake Superior Corp. through purchase of more than 51 per cent. of the stock.

A thorough reorganization is planned, which probably will involve liquidation of Lake Superior Corp. and redemption of its bonds, and its replacement by a Canadian holding company which will invest from $10,000,000 to $15,000,000 in the properties at Sault Ste. Marie, and which is seeking some apparently reasonable recommendations from the tariff board.

To Improve Plant

As the Algoma Central probably will be able to pay its way if the steel plant is enlarged and operated profitably, and as the Algoma Eastern is paying its way at present, it is likely that the bulk of the new capital will be spent on the steel plant.

It is planned to spend probably $12,000,000 on the steel plant. This will make possible a combination rail and structural steel mill which will enable the company to produce 130 pound rails (the largest laid so far in Canada are 127 pounds) and structural steel up to and including 24-inch I-beams. In addition there will be installed rolling-mill equipment of the most modern type which will enable the corporation to satisfy every domestic demand for channels, angles and Z bars and bars in rounds, flats and squares. Some of the older equipment requiring much handling of the metal during rolling will be replaced by continuous mills.

Steel Product Imports Make Formidable List

Over 710,000 Tons a Year Brought Into Canada, Most of Which Come from United States

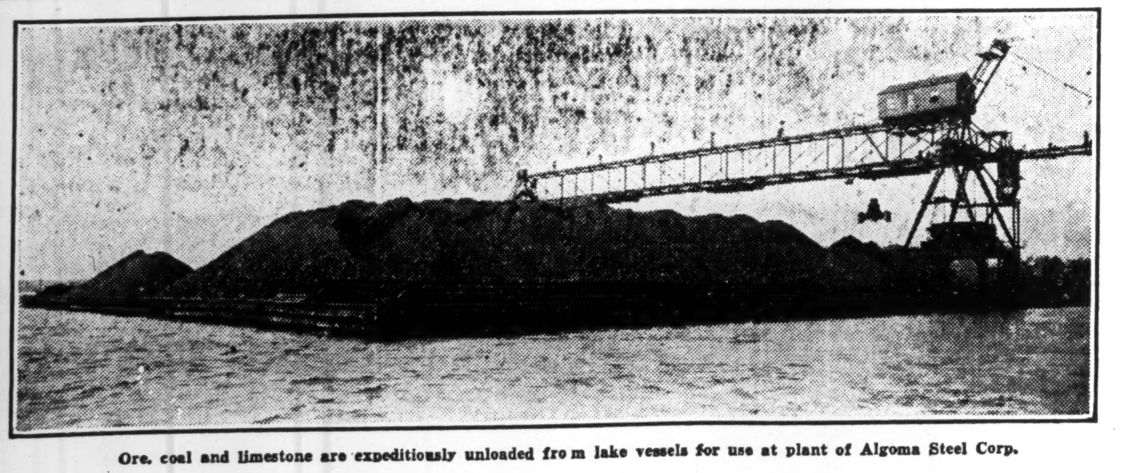
It is with a view to bringing to Canada a portion at least of the huge annual importations of steel products, that the Algoma Steel Corporation is seeking various tariff revisions at Ottawa. It is estimated that under conditions of large scale production and proximity to large consuming markets, the United States mills are exporting annually something like $275,000,000 of steel products to Canada.

As will be seen from the following table, the annual importation of the various steel products into Canada has averaged over the past nine years, something like 710,000 tons per year. Last year the importations amounted to 920,000 tons, and for the nine year period the total importations have been 6,300,000 tons. In addition to this, there has been imported an average of 634,000 tons of coke per year, making a total importation for the period of 5,700,000 tons. The figures cover total importations, but the bulk of the products have been imported from the United States.

CANADIAN IMPORTS OF IRON, STEEL AND PRODUCTS
1919-1927 Inclusive (Short Tons)

	Calendar Years 1919-1927 Inclusive Total	Average	Calendar Year 1927
Pig Iron	352,112	39,124	45,833
xIngots, Blooms and Slabs	12,163	1,738	2,843
Billets	105,844	11,761	16,778
Rails	224,606	24,956	30,024
Rail Fastenings	34,600	3,844	3,618
Bars	567,912	63,101	113,052
Bands, Hoop, Scroll and Strip	828,878	69,875	63,044
Structural Steel:			
Less than 35 lbs. per yard	311,124	34,570	43,968
35 lbs. per yard and over	738,155	82,017	118,082
	1,049,279	116,587	162,050
Plates	576,058	64,006	99,682
Sheets	623,272	69,252	81,387
Terne Plate, etc.	97,499	10,833	12,320
Tinplate	539,825	59,981	71,451
Skelp	840,519	93,391	109,778
Sheets, Plates and Skelp, n.o.p.	206,181	22,909	36,463
Wire Rods	269,959	29,995	43,886
Wire	263,579	29,287	28,584
Totals	6,392,286	710,640	920,793
Coke	5,712,489	634,721	772,235

xYears 1921-27 only.



Modern Machinery Handles Materials

Ore, coal and limestone are expeditiously unloaded from lake vessels for use at plant of Algoma Steel Corp.

One of Original Buildings at Soo Plant

First buildings at Soo were built from stone taken from St. Marys River during canal and power plant construction.

CLERGUE PLANS ALSO INVOLVED AMERICAN SOO

Last of These Projects Gone — Steel Corp. Operates Mines

Original enterprises of F. H. Clergue were not confined to the Canadian side of the St. Mary's River. He had vast plans which involved Sault Ste. Marie, Mich., and the Northern Michigan peninsula.

Such plans as came to nothing in the early years have since been segregated from Lake Superior Corp. and its subsidiaries. The last of these was the street railway in Sault Ste. Marie, Mich., which was sold this year.

Cannelton Coal and Coke and the Lake Superior Coal Co., are subsidiaries of Algoma Steel Corp. and operate mines in West Virginia, producing coking and steam coal for the steel plant. The coal is shipped by rail from the mines to Toledo, O., and thence by water to the steel plant docks at Sault Ste. Marie in the navigation season.

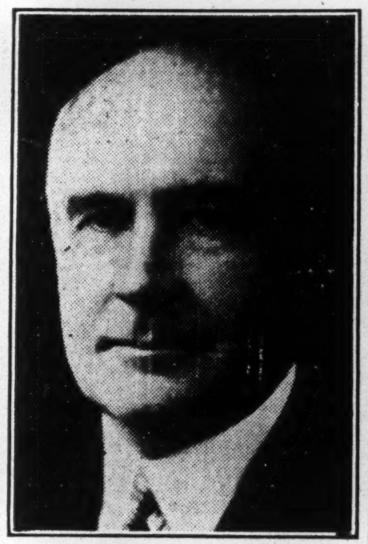
The only other investment of Lake Superior Corp. in the United States is the Fiborn Limestone Co. of Fiborn, Mich., which produces good quality limestone and dolomite for the steel plant at Sault Ste. Marie.

The Limestone company and the Cannelton company show debits in the profit and loss account, although there was a profit in the operation of the latter company in 1927. The Lake Superior Coal Co., had a net profit of $79,147 after all charges in 1927, paid dividends to Algoma Steel of $112,500 and carried forward credit balance of $150,600 in the profit and loss account. As virtually the only customer of these three companies is the steel plant and as the steel corporation owns all the stock of each, the question of profitable operation of the subsidiaries is dependent on the demands of the steel plant.

Well-Known Figure

ALEX. TAYLOR.
As secretary of Algoma Steel and Lake Superior Corporation with headquarters in Toronto, Alex. Taylor is perhaps one of the best known officials of the company. He has been associated with the company for a great many years, and assumed the position of secretary in 1915. He is also a vice-president of Lake Superior Corporation.

Twenty-Year Record



WILLIAM C. FRANZ.
Next week Mr. Franz celebrates his twentieth anniversary as general manager of the Algoma Steel Corporation. He is also president of that company, having held the office for over ten years.

WILLIAM C. FRANZ ALGOMA'S LEADER FOR TWENTY YEARS

Genial Head of Steel Company Has Fine Record

Next week, W. C. Franz celebrates his 20th year of service with the Algoma Steel Corporation. After 20 years of stewardship, the men with whom he has worked for so long say of him: "A more charming, genial and kindly man does not exist."

And it is no easy task to retain these three virtues when a plant is just living from hand to mouth and trying its best to make the most of a very difficult job. Algoma's row has been a hard one to hoe at best, and there are times when the picture must have looked very black to William Franz.

By birth the genial president is an American, having been born in Bucyrus, Ohio, March, 1871. So he is only 57. He came to Canada at the age of 37 and his first job was Algoma Steel. He has stuck to it ever since, having been general manager at first and president since 1918.

Mr. Franz is a great lover of outdoor sport and, of course, plays golf. Yes, he's particularly fond of golf—in common with the majority of Algoma Steel officials.

Perhaps one of his greatest hobbies is his summer home. Situated just outside Sault Ste. Marie, it is one of the show places of the district and Mr. Franz spends many hours in beautifying it and its surroundings.

Proud of Soo

In the twenty years that he has been at the Soo, Mr. Franz has seen many changes take place and has watched a great many of the young men of the district grow up and achieve fame and success in various parts of Canada. He remembers them all, too, and speaks with pride when he can refer to an outstanding citizen as an "old Soo boy."

Of course, at the moment everyone at the big steel plant is on the qui vive—hoping against hope that the long-awaited dream of a well-balanced property will materialize. And, in spite of year after year of discouragement and disappointment, everyone is full of confidence and optimism — a splendid sign after so many difficult years.

Largely Mr. Franz

And a great deal of this fine spirit is directly attributable to William Franz because, after all, it is the officials of a plant who really set the morale of the place—and the Algoma morale is second to none in Canada. As a matter of fact, it is rather like a big mutual admiration society—they are proud of Mr. Franz—they are proud of each other—and Mr. Franz is certainly proud of them.

DOCKS, PROPERTY FORM FINE ASSET IN A.C. TERMINALS

Separate Company Has Valuable Holdings Leased to R.R.

An important unit of the various railway properties of the Lake Superior Corporation, is the Algoma Central Terminal Company which owns the terminal facilities, including fully-equipped freight and commercial docks at Sault Ste. Marie, Michipicoten Harbor, and also the Algoma eastern terminals at Little Current.

These properties are all leased to the respective railways for a period of 999 years.

At Michipicoten Harbor the terminal facilities are quite extensive extending from Michipicoten to Brient, which is about a mile or so distant. At the latter point there are at present no modern facilities but in the event of expansion of the mineral industry including the handling of coal for the north country, the terminal is in an exceedingly well situated position to take care of modern facilities for the handling of this traffic.

At present, plans are underway for the erection of entirely new docking facilities at Michipicoten at a cost of something like $500,000. It is understood that if financing can be arranged, work will commence as soon as possible and when accomplished, the harbor will be in a position to handle in an efficient and up-to-date manner, all the requirements of these districts for many years to come.

A Fine Location

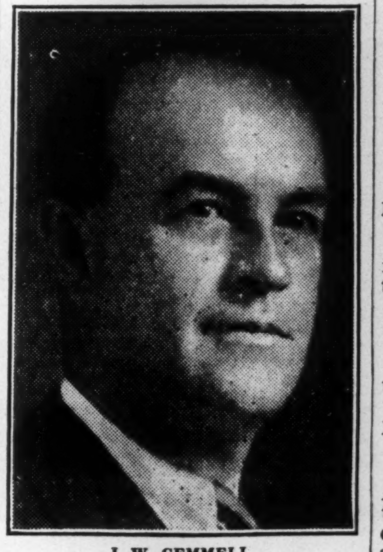
In passing, it may be said that Michipicoten is a fine, natural harbor, on the north shore of Lake Superior and about 150 miles north of Sault Ste. Marie. The harbor is connected directly with the Soo and with the C.P.R., and C.N.R. transcontinental lines, by means of the Algoma Central Railway which not only links up the harbor, but also links up the two big iron deposits of Lake Superior Corporation. The harbor is a deep-water outlet for the entire mineral area of Algoma.

At Little Current, there is an up-to-date coal bridge similar to the one the company owns at Sault Ste. Marie; a commercial dock, shops and other yard facilities including a swing bridge across the channel to Little Current on Manitoulin Island. The dock is at the present time undergoing some improvements which will enlarge the docking facilities and provide additional and more up-to-date equipment.

Controlled by Railways

All the capital stock ($100,000) of Algoma Central Terminal is owned by the Algoma Central Railway.

Able Financier



J. W. GEMMELL.
Having started in the accounting department of the Algoma Steel Corporation in 1907, Mr. Gemmell is well-equipped by experience to guide its financial destiny. To-day he is vice-president of Algoma Steel Corporation in charge of finance, and vice-president and treasurer of the Lake Superior Corporation.

EASTERN RY. GREAT PLACE FOR HOLIDAY

Algoma Line Taps Fine Sporting and Scenic Area

88 BEAUTIFUL MILES

Subsidiary of Lake Superior Corporation Operates Railway Line to Sudbury

Don't overlook the Algoma Eastern when you are planing your holidays.

It stretches for 88 miles between Little Current, on Manitoulin Island, to Sudbury, and besides being a vital link in this world of pulpwood and minerals, it taps some of the prettiest country in Canada and ploughs its way through what is virtually a sportsman's paradise.

As an industrial link, the Algoma Eastern serves as the deep water outlet for the Mond Nickel, the International Nickel, and many other big mineral producers of that area, and, in addition, taps the big pulp and paper mills of the Spanish River Company at Espanola. This is really the reason for its existence, but from the holiday-makers' viewpoint, the Algoma Eastern is also a mighty good bet.

Manitoulin, forinstance, still maintains its supremacy as the most beautiful of the islands of the great archipelago of Lake Huron. It is infested with countless bays which give unrivalled opportunities for fishing, boating, bathing, and the pleasures of stream, lake, meadow and mountain. A rugged country, but one which is an ideal retreat for those who love the great outdoors.

If you are a fisherman, you will, without doubt, be delighted at the possibilities this part of Ontario offers, and, whether you are after salmon trout, bass, pickerel or maskinonge, you will be right at home in this part of the country.

Then, too, the wilder portion of the district is a veritable natural game preserve. Moose and red deer, are abundant, while the innumerable lakes, channels and bays are the resort of wild fowl, shore birds, ducks and geese, whose long flights to the south during the fall hunting season is delayed in these waters for rest and feed.

ORIENT REFUSED TO BUY SULPHATE LOOKING LIKE SALT

The fact that the fertilizing business has been completely revolutionized of recent years, means much to Algoma Steel. One of the by-products of the big Algoma coking plant is sulphate of ammonia which on account of its nitrogen is one of the principle ingredients of a modern fertilizer.

Technically all the nitrogen in sulphate of ammonia is soluble and available. It acts quickly and continuously without gorging the plant and does not leach or wash out readily. In addition it is high in test and is chemically suited for use with other fertilizer ingredients, in that it does not cause loss of nitrogen or reversion of acid phosphate, nor does it absorb moisture and therefore cause the fertilizer to cake in the bags.

Algoma sulphate is considered the richest of the commercial nitrogenous materials. It is shipped to the West Indies, to China and to Japan and in the two later markets has obtained an exceedingly high reputation in recent years.

In this connection there was a very interesting problem that has been worrying the Algoma chemists for some time and which is now satisfactorily solved.

Looks Like Salt

Ordinary sulphate of ammonia looks very much like salt and as a result it was found that unscrupulous dealers could readily adulterate it by adding sand and therefore greatly increasing the bulk and decreasing the quality of the product. This state of affairs while not common is nevertheless an important factor because in the Orient particularly, which is the big market for this Algoma product, the people who use the sulphate of ammonia became almost superstitious about their sulphate. Whether it was adulterated or not they refused to buy sulphate of ammonia if it looked like salt. So immediately the Algoma chemist had to solve the problem of making their sulphate look like something else other than salt.

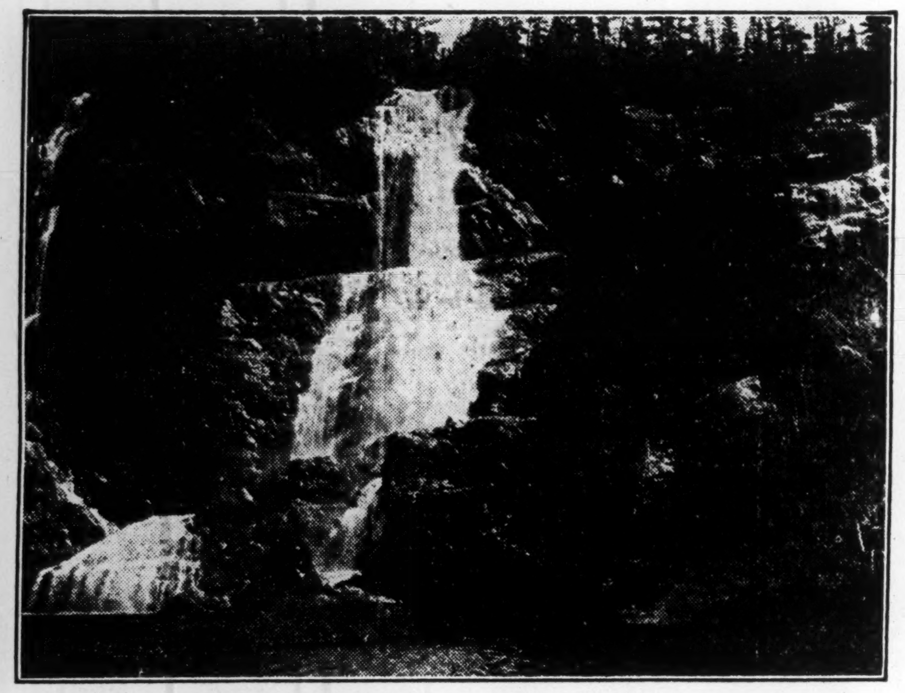
To-day the problem has been thoroughly solved with the result that the Algoma sulphate is of a fine needle-like structure which greatly pleased the oriental users.

750 Tons Monthly

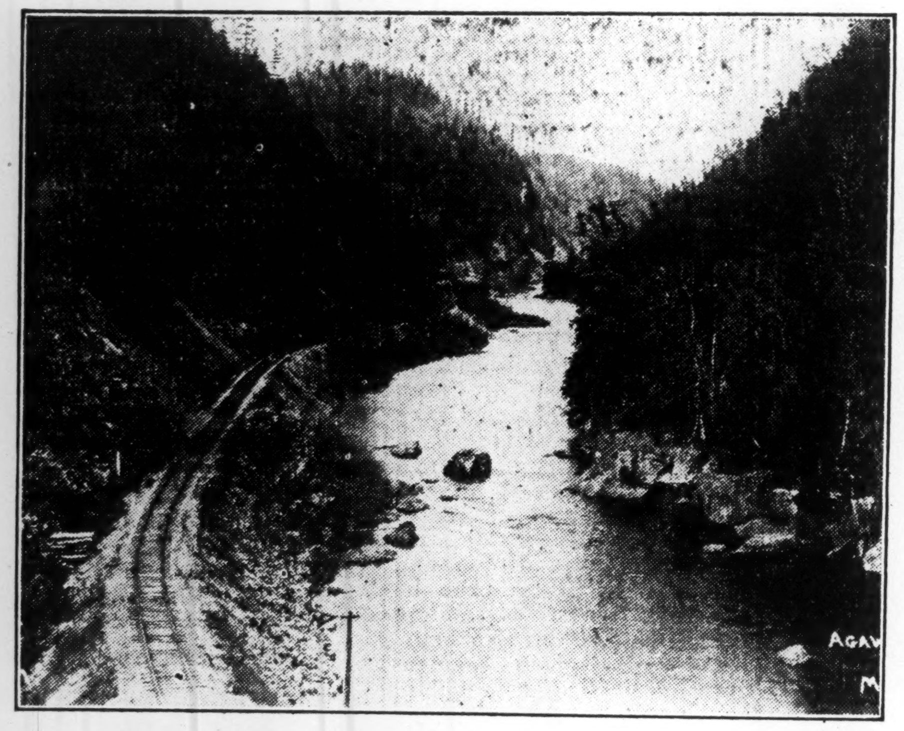
The importance of this industry to Algoma may be gained from the fact that last month the company produced and shipped over 750 tons of sulphate of ammonia to various parts of the world. The company recovers about 20 lbs. of ammonium sulphate for every ton of coal which is coked and the net price at the plant is approximately $40 to $42 per ton.

A LAND OF PROMISE

Montreal River Falls



Bridal Veil Falls — Agawa Canyon



Agawa Canyon

Algoma is the Land of Promise

It has minerals—it has pulp—it has power—it has transportation.

It is the most beautiful scenic spot east of the Canadian Rockies, and it is literally a sportsmen's paradise.

Mineral Wealth

Iron, gold, copper and now silver are the important ores. At the present moment the most active claims are alive with prospectors, and diamond drills are boring into the massive rock formations. An assay office and laboratory is operated by the Algoma Central Railway at the Sault to facilitate the work of prospecting

A large proportion of the rocks are the old pre-Cambrian volcanics, the same formation that has been so productive of mineral wealth in other parts of Northern Ontario. Already in one deposit, the Helen Mine, there has been extracted about 3,000,000 tons of rich hematite ore. This particular range has produced more iron ore than all the rest of Canada combined. In the lands adjacent to the railway one single body of siderite has been proven to contain over 100,000,000 tons of Iron Ore and one body of magnetite over 50,000,000 tons of Iron Ore.

Important gold discoveries have been made at two camps along the Algoma Central. Favorable conditions exist at many other points and it is only a matter of time before definite mining operations will be under way.

Vast Timber Limits

Algoma is one of the richest pulpwood districts in the Dominion. It has for years been serving the big Soo mill of the old Spanish River Company and there are first-class facilities for the transportation of logs either by rail or water. There are also vast tracts of hardwood of all descriptions with valuable commercial possibilities—some 1,200,000 acres in all.

Abundant Power

is available in abundance at strategic points along the road. At the present moment negotiations are under way which when completed will supply a boundless amount of additional horsepower to an already considerable total.

Rare Scenic Beauty

Once you travel through the Algoma country you will realize that it is a country "Where ten thousand sparkling lakes lie open to the sky; where a thousand little rivers rush southward to the seas; where the she-bear rears her cub in the depths of virgin forests; where the bull moose woos the cow moose and the red deer roams the hillsides; where the partridge drums in autumn and the wild duck calls his mate; where all nature seems to beckon and to lure."

The Algoma Central operates a de luxe passenger service on daily schedule right through the heart of this glorious country. In addition the company operates fully-equipped bungalows which are available to visitors on a nominal rental basis. Plan to take your vacation in this mighty Canadian Northland.

A Sportsman's Paradise

If you are a sportsman, pick up your rod and your gun and hie away to this beauty spot that will delight your heart. There are brook trout of great size and in countless numbers in the swiftly running streams; and black bass, pike, pickerel and grey trout in the more quiet waters—while moose and deer roam the woods and hills; grouse, partridge, ducks, geese, etc., are the lure of the Nimrods of the entire continent.

We gladly welcome you to one of our log cottages, situated at various points throughout the district, and which you will find ready equipped to serve your needs.

The Algoma Central Railway

taps the very heart of this Algoma country—340 miles of first-class roadway running from Sault Ste. Marie and making direct connection with both the Canadian Pacific and Canadian National main lines. A branch line at Michipicoten Harbour provides a deep water outlet from the most important mineral deposits. Extensive improvements now being undertaken there will provide thoroughly modern docking facilities to serve the entire territory.

We Will be Only Too Glad to Answer Any Enquiries You May Care to Make,—Or Better Still, Come and See For Yourself That Algoma is Indeed a Land of Promise.

ALGOMA CENTRAL

& Hudson Bay Railway

Head Office: Sault Ste. Marie, Ont.

Tariff Plea for Algoma Has Now Been Confined to Her Own Local Needs

New Brief Submitted Last Year Makes Strong Case

FOUR ITEMS ASKED

These Can All Be Settled Irrespective of Other Canadian Plants

Present Tariff Schedule Compared to A.S.C. Brief

Proposed Rates Shown in Contrast to Those Now Existing

	Present Tariff Brit. Pref.	Present Tariff General	Algoma Brief Brit. Pref.	Algoma Brief General
Structural:				
Heavy	$2.00	$3.00)	$4.25	$7.00x
Light	4.25	7.00)		
Billets for:				
Auto Springs and Axles	1.50 less 99%	2.50 less 99%	7.00	7.00x
Flat Spring:				
Steel and Axle Bars for Autos	4.25 less 99%	7.00 less 99%	4.25	7.00x
Spiral Spring:				
Steel for Rlys.	4.25 less 99%	7.00 less 99%	4.25	7.00x
Alloy Steel:				
Chrome	10%	15%)		
Over 3½c. lb.	5%	12½%)	35%	35%x
Other	$4.25	$7.00)		
Coke	....	....	$ .75	$ .75
Pig Iron	$1.50	$2.50	$5.00	$5.00
Billets, Blooms	1.50	2.50	7.00	7.00
Plates:				
Tank, etc.	4.25	7.00)	4.25	7.00
Univ. Mill	2.00	3.00)		
Rails	4.25	7.00	4.25	7.00
Wire Rods	2.25	3.50	5.00	5.00

Extracts from brief of Algoma Steel Corporation to Tariff Board.

We desire therefore to put before you a few suggested alterations in the present tariff on articles affecting the operation of our plant, which we believe are both just and reasonable. . ."

"In the first place, it seems necessary to call attention to the conditions surrounding the industry in Canada as compared with the principal sources of competition.

Canadian iron and steel producers are faced with either relatively higher cost of raw materials, labor or transportation to consuming markets than are their foreign competitors; we ourselves are compelled to pay higher prices for ore, fuel, alloys, supplies and equipment than are the leading foreign competitive plants. The cost of labor in Canada is practically the same as in the United States, but is very much higher than in Great Britain, France, Belgium and Germany.

Freight on iron and steel from Europe to Montreal is approximately the same as from Hamilton to Montreal, and from $2.00 to $4.00 per ton less than from Sault Ste. Marie to Montreal.

On the other hand, freight rates from leading producing centres in the United States to Central Ontario consuming markets are much lower than from Sault Ste. Marie. This has a distinct bearing on the question of tariffs, inasmuch as in many cases the higher rates of freight we have to pay reach the important consuming markets for our products in Canada offset to a very considerable extent whatever protection is afforded by the present tariff.

Again, the consumption of iron and steel in Canada is very diversified, while the demand for particular sections and sizes is not large, hence the necessity for frequent mill roll changes; and such changes add very materially to the production cost per ton of finished product.

This must be compared with heavy production of one size or section by United States and European mills and consequent lower costs. For such reason alone, without considering the other factors already touched upon, it is essential that Canadian steel producers should receive better protection.

However, these are only a few of the serious handicaps the Canadian steel manufacturer has to face, and the following suggested remedy is made in order that capital may earn some return, labor receive a reasonable wage, and consumers make use of Canadian-made material. The past few years have witnessed a material reduction in the tonnage of iron and steel made in Canada, and some assistance is undoubtedly very much needed.

The following are therefore suggested alterations in the present tariff on articles directly affecting the operation of our plant, which we believe are just and reasonable, and which would not permit of anything in the nature of a monopoly, as there are other Canadian concerns manufacturing such articles and naturally the competition in Canada amongst themselves would be quite sufficient to keep reasonable price levels.

(See panel above.—Editor)

The protection accorded Canadian manufacturers of alloy steel is most inadequate; in fact, there is really no special item governing it appearing in the Canadian Customs Tariff, such as is the case with similar material in the United States Tariff. Item No. 385 takes care of "chrome steel" but any other alloy bars, such as nickel, vanadium, chrome vanadium, chrome nickel, chrome molybdenum, etc., are all classed under tariff item No. 378 for common steel bars, except when the value is greater than 3-1/2c. per lb., when it may be classed under item No. 386.

As a matter of fact, this latter tariff item is actually used by American manufacturers of alloy steel in the nature of a protection to them, as unless during abnormal times, for any such steel which closely approximates in price to the figure of 3-1/2c. per lb. indicated therein, the value is kept down just below it and shipped into Canada under the lower tariff item No. 378.

Sole Producer

The use of alloy steel, especially in automobile manufacture, is now most extensive, and the Algoma Steel Corporation is the only producer in Canada making it at the present time. Since starting production some years ago, our corporation has expended many thousands of dollars in increasing our facilities and improving our methods of manufacture, and today we are in a position to take care of the entire requirements of the Dominion and give a grade of steel equal in every respect to that imported. This is borne out by the fact that for several years past we have supplied some of the largest automobile manufacturers in Canada with practically their entire requirements of alloy steel, the quality of which is admitted to be suitable in every respect for the purpose intended.

As an indication of the progress we have made under exceedingly difficult and trying conditions, and in face of the fiercest competition from American mills who have additional aid owing to their plants being much closer to the actual consuming centres in Canada of this class than our own, thus enjoying freight rate advantages, the following are the tonnages which we have produced yearly since commencing its manufacture in 1924:

	Bars	Billets
1924 ...	3,032 tons	
1925 ...	7,530 tons	36 tons
1926 ...	10,659 tons	259 tons

A Difficult Field

As already mentioned, the competition which we have to face from the United States and elsewhere is of the most trying nature, and one which it is difficult for us to combat, particularly as it is based on the low costs obtainable from mass production on the other side and the wide market for their output. They have business to take care of a full operation of their plants all year, whereas, of course, the actual demand of the entire Canadian trade for this class of steel is relatively small, although we have to make all of the many sections produced in the United States, the consequence being that our costs are much higher.

We are also in the unfortunate position that our freight rates to the actual consuming points in Canada for alloy steel are higher than from United States sources of supply, and this really gives the foreigner an actual protection in competing with us, as we have to meet differences in freight rates from our plant to consumers' works of anything from $2 to $3 per ton, compared with rates from United States points to the same places. For instance:

From	Rate of Freight to Ford, Ont. (a Large Consuming Centre of Alloy Steel)
Buffalo, N. Y.	26½c
Massillon, Ohio	28c
Chicago, Ill.	30c
Sault Ste. Marie, Ont.	41½c

Export Goes Free

We wish to stress further an important point in connection with the use of alloy steel by automobile manufacturers particularly—a considerable portion of their output is for export, and they are entitled to a rebate of all duty on materials entering into exported products. It follows, therefore, that in addition to the other handicaps mentioned, we are faced with the necessity of accepting a considerable portion of their business without any protection whatever. As one of the Canadian automobile manufacturers supplies the export market to the extent of approximately 60 per cent. of their production, it will be seen that our present protection is cut down by this percentage, which makes it impossible to produce without serious loss.

To sum up the advantages enjoyed by foreign competitors, note especially the following:

1. Their low manufacturing cost due to mass production and extensive markets.
2. The ability to import the greater part of the steel under Tariff Item No. 378, which merely covers common steel bars.
3. The advantage in low freight rates due to location.
4. The large proportion of steel used in material to be afterwards exported on a duty free basis.

A Worthy Effort

We contend that our enterprise, in trying to establish a new industry in Canada for the manufacture of alloy steel under trying conditions, is worthy of assistance and backing from the Government, and we recommend our plea to your favorable consideration. Our suggestion is that the following clause should be incorporated in the Canadian customs tariff:

'Steel in all forms and shapes, by whatever process made, and by whatever name designated, whether cast, hot or cold rolled, forged, stamped or drawn, containing nickel, cobalt, vanadium, chromium, tungsten, molybdenum, also manganese or silicon when present in the steel in excess of 1 per cent. manganese or .50 per cent. silicon, or any other metallic content used in alloying steel—35 per cent. ad valorem General and British Preference'

The duty which we propose on alloy steel is very much less than levied on the same material entering the United States.

Railroads Benefit

We would also like to point out that there is a great advantage to Canadian railroads by continuing to foster the manufacture of alloy steel at our plant, and if we did not do so every ton required would have to be imported from the United States, and the Canadian railroads would therefore benefit to little or no extent, as the haul they would receive would be extremely small; whereas, when it is produced by us, they have themselves the revenue from the entire long haul from our plant to the various destinations, which is greatly to their advantage.

It can be seen from the figures we have cited above as to our increasing production from year to year since we commenced making this steel. The Canadian railroads have already benefited very largely by our efforts, and the gain to them would undoubtedly be much greater in the future if we were accorded the protection necessary to cultivate the business, as the tonnage to be carried would be increased very materially, and this without taking into consideration the added benefit to Canada by the steady employment which could be given to a large number of workmen required directly and indirectly in the production of this steel.

These proposals do not in any way adversely affect agricultural interests, as they bear only on industries manufacturing commodities already enjoying favorable protection for their finished product.

Spring and Axle Steel

In connection with spring steel and axle steel for automobiles, we present for your consideration the following:

Tariff item No. 1007, section "B," of the Canadian customs tariff, reads as follows:

'Flat spring steel, steel billets and steel axle bars, when used in the manufacture of springs and axles for vehicles other than railway or tramway vehicles—99 per cent. drawback."

We believe it is acknowledged that the automobile industry is reasonably protected under the present Canadian tariff, and there appears to be no justification for allowing spring steel or axle steel bars for automobiles to be imported from foreign sources into Canada under a rebate of 99 per cent. of the duty, and we consider this item should be altered to read as follows:

"Flat spring steel, steel billets and axle steel bars, when used in the manufacture of springs and axles for vehicles other than railway, tramway or automobile vehicles—99 per cent. drawback."

If this clause were adopted these articles, when used in the manufacture of springs and axles for railway, tramway or automobile vehicles, would become dutiable under their respective items in the present tariff as follows:

	General Tariff Per Net Ton	British Preference Per Net Ton
Billets	$2.50	$1.50
Flat spring steel and steel axle bars	7.00	4.25

This proposed change would still allow these articles to come under the drawback of 99 per cent. when used in the manufacture of all implements of agriculture.

Probably Unaltered

In all probability, when the original tariff item was placed on the Canadian customs tariff granting 99 per cent. rebate, the manufacture of automobiles was in its initial stage and had not grown to its present large capacity, but the result of the item being still unaltered makes it possible for very considerable quantities of this material to be imported from foreign sources on a free basis.

Spiral Spring Steel

Item No. 1008 of Section "B" Canadian customs tariff, reads as follows:

"Spiral spring steel, when used in the manufacture of railway spiral springs—99 per cent. drawback."

Not Justified

There is really no justification for this article coming into Canada with 99 per cent. drawback of duty. Flat spring steel for railway purposes is dutiable under the present tariff, and spiral spring steel, being used for the same purposes by the railways, should not be allowed to enter under drawback. It may be that when this concession was put into effect originally, Canadian manufacturers were unable to furnish sufficiently satisfactory steel for spiral springs, but this reason is not now applicable as all the wants of Canadian users of spiral spring steel can be taken care of by the mills in this country, not only insofar as tonnage is concerned, but also with a guarantee that the quality will be equally good, if not more satisfactory than that imported from foreign sources. We contend, therefore, that this item should be altered and the material become dutiable under the Canadian customs tariff item No. 378 at $7.00 per net ton General, and $4.25 per net ton British Preference.

Structural Steel

There is a provision in the present Canadian customs tariff to the effect that when structural steel is made in Canada, in all sections weighing up to 120 lbs. per yard, the present duties will be increased from 10c. per 100 lbs. British Preference and 15c. per 100 lbs. General, to 21¼c. per 100 lbs. British Preference and 35c. per 100 lbs. General.

When this order-in-council was first proposed it was the case that practically no sections weighing over 35 lbs. per yard were procurable in Canada, and therefore the bulk of the country's requirements weighing over 35 lbs. had of necessity to be brought in from foreign sources. Since then Canadian conditions have altered considerably, and while it is not yet the case that all sections covered by the order-in-council can be manufactured here, a considerable proportion of them are now made which weigh over 35 lbs. per yard.

Should Raise General

Later on the full range of all items indicated in the order-in-council will undoubtedly be manufactured in this country, but in the meantime, in view of the fact that Canadian mills are in a position to supply every need of the consumer here in all sections of steel angles, and in beams up to 6 inch and channels up to 7 inch, we suggest the order-in-council should become immediately effective insofar as regards these particular articles, and the duty advanced to 35c. per 100 lbs. under the general tariff for all weights. Then when it is possible to procure in Canada the balance of the list indicated in the order-in-council, the remaining portion of the act should become effective.

Importations Increase

Importations of the above material into this country since 1920, in weights 35 lbs. to the yard and over, are as follows:

1920	96,895 tons
1921	45,828 tons
1922	65,123 tons
1923	90,891 tons
1924	67,596 tons
1925	73,488 tons
1926	118,552 tons
1927 (6 months)..	49,249 tons

Even if a portion of this business could be secured for Canadian mills through the proposed higher tariff rates becoming effective, it would be of immense advantage to them in keeping their plants working more steadily and for a longer period each year, thus greatly assisting the industrial situation in each district and curtailing to some extent the steady growth of unemployment, which has been the feature of the iron and steel business in Canada for the past few years.

A. C. R. DINER OFFERS MEAL TABLE D'HOTE

De Luxe Service Offered Patrons of Algoma Central

"Dinner is served, sir."

Yes, there's a diner on the Algoma Central. A mighty good one, too.

Perhaps there isn't as much choice as in the elaborate cuisine of our national railway systems, but there are very few places—either on or off a train, that you can get as good a meal for seventy-five cents.

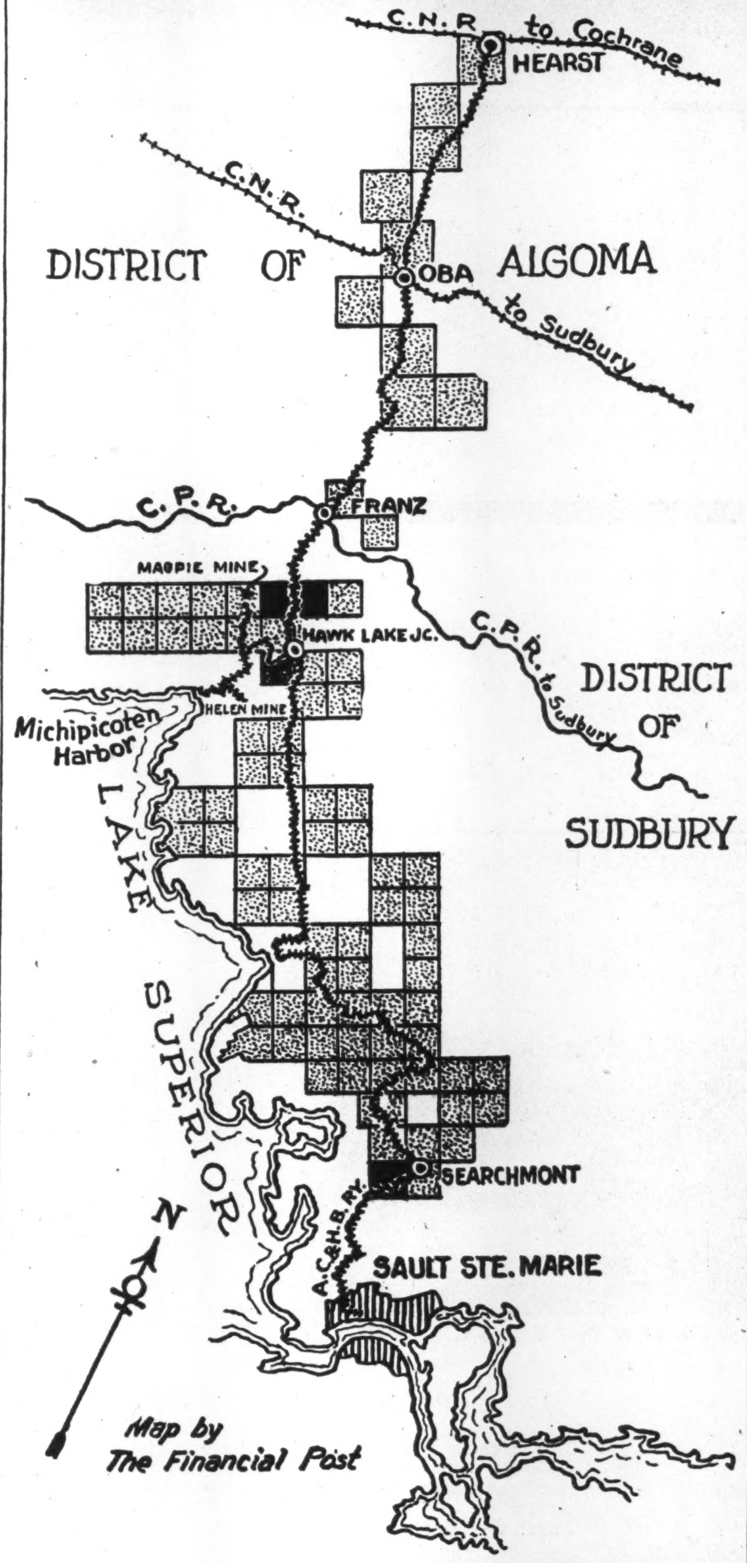
All one price, so you don't have to worry about spending too much.

Soup, steak, pie, tea or coffee, and bread and butter. What more could you want?

The dining service has been operated by the same man for ten years or more. He goes up in the morning train from the Soo, serves dinner and boards the down train at Hubert so as to be ready for the evening meal before the run into the Soo.

Incidentally he, in company with everyone else on the road, is an ardent "Algomite." It isn't just a matter of sentiment either. It's a matter of dollars and cents, for in common with any number of those who have watched Algoma struggle along for the past twenty years, Algoma steward has personally invested capital in the development of the country contiguous to the Algoma Central. And the fact that they have had to wait for a few years hasn't dampened their faith a bit—in fact, everyone is bubbling over with enthusiasm at the present time.

Algoma Central Railway Owns Valuable Lands



The Algoma Central owns outright more than 1,200,000 acres of land along its right of way between Sault Ste. Marie and Hearst. The shaded townships are those which the railway owns and the townships in black are railway lands on which there are promising mineral developments at present. The railway company maintains its own mines department and assay office at Sault Ste. Marie, and encourages prospecting on its lands. The fees are in some cases less and in no case greater than the fees for prospecting on crown lands. There is reason to believe that the area is rich in both precious metals and base minerals.

ALGOMA CENTRAL AIDS PROSPECTING ON 1,200,000 ACRES

Wishes Mining Development to Promote Traffic on Lines

Prospecting and mining on the lands of the Algoma Central & Hudson Bay Railway may be carried on under precisely the same terms as are mining and prospecting on Ontario government lands, except the prospector must secure his permit from the Mines department of the railway and register his claim there, rather than with the government. Fees and royalties are the same as the government fees, while the permit is $1 from the railway, instead of $5, which is the government permit cost.

The maximum fees are as follows:

2 per cent. of the market value of the output of gold, silver, copper, nickel and other ores except pyrite and iron ore, up to first $1,000,000; 3 per cent. from $1,000,000 to $4,000,000 and 5 per cent. over $4,000,000. The railway is willing to make allowances for expenses on the property in the event of low-grade ore being mined where the percentage fee on total output might form a disproportionate share of the total profit.

On siderite and pyrites, the fee will be ten cents the long ton, and on other iron ores, the fee will be fifteen cents the long ton.

The railway owns the mineral rights on approximately 1,200,000 acres of land between Sault Ste. Marie and Hearst. In three townships in the vicinity of Hawk Lake Junction there is intensive development work and prospecting at the present time, while other development work is proceeding in another township near Searchmont, the lumbering town 32 miles up the railway from Sault Ste. Marie.

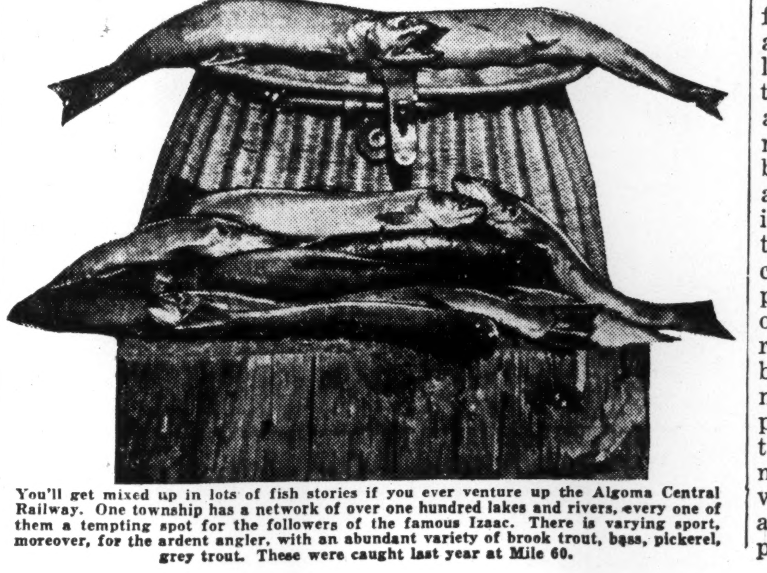
The Algoma Central has established a mines office and assay laboratory at Sault Ste. Marie in charge of George W. MacLeod, consulting mining engineer. This is to facilitate the work of prospectors searching on the lands of the company.

Benefits in Two Ways

The railway company will benefit in two ways from the development of minerals on its property. As owners of the land, the company will expect reasonable fees. But the railway company primarily seeks traffic and therefore, the company is eager to facilitate prospecting and is willing to make any reasonable concession to mining companies which locate ore bodies on its property.

The railway company has published a pamphlet setting forth in detail the conditions under which prospecting and mining may be done on its property and on settlers' land, the mineral rights of which have been reserved. Copies of this pamphlet are available by application to the mines department of the railway at Sault Ste. Marie. Virtually all the land, not already staked, is open to prospectors except, of course, the railway right of way, yards, etc.

PAGE MR. WALTON



You'll get mixed up in lots of fish stories if you ever venture up the Algoma Central Railway. One township has a network of over one hundred lakes and rivers, every one of them a tempting spot for the followers of the famous Izaac. There is varying sport, moreover, for the ardent angler, with an abundant variety of brook trout, bass, pickerel, grey trout. These were caught last year at Mile 60.

Algoma Central Ry. Under Bondholders is Efficient Road

334 Miles of Track with Equipment Maintained Well

HOPE IN STEEL PLANT

Busy Works Would Mean Traffic to Line Which Goes Through Undeveloped Country

By J. GEORGE JOHNSTON

The Algoma Central and Hudson Bay Railroad was incorporated by act of parliament in 1899 as the Algoma Central Railway and acquired its present name in 1901. The line is 293 miles long from Sault Ste. Marie to Hearst, on the National Transcontinental, crossing the Canadian Pacific Railway at Franz and the Canadian National at Oba. The branches are:

From Hawk Junction to Michipicoten, 24 miles.

Helen Junction to Helen Mine, 2 miles.

Magpie Junction to Magpie Mine, 10 miles.

Terminal tracks, etc., 5 miles.

Total mileage, 334 miles.

Equipment consists of twenty modern locomotives and one other locomotive, nine passenger cars, 3 baggage or combination cars and 1,047 revenue producing freight cars, while service cars bring the total cars to 1,157.

Bonded debt consists of $4,992,713 of the subsidiary terminal company, a first mortgage on all terminal properties, and $10,080,000 of first mortgage bonds and $318,800 of second mortgage income bonds. The stock issue is $5,000,000 of 5 per cent., non-cumulative preferred and $5,000,000 of common. All of these securities are in the hands of the public, mostly in England, except the second mortgage bonds and the common stock, which are owned by Lake Superior Corporation, but which are held in a voting trust in the interest of the bondholders.

Dominion government subsidiaries earned and paid were $6,400 per mile for the 293 miles from Sault Ste. Marie to Hearst, or a total of $1,875,000. Of original grants of land from the Ontario government, about 2,170,000 acres still remain in possession of the company. There are 74 townships, 36 miles square, and nine townships, 81 miles square. The company owns these lands in fee simple, including all timber except pine, on which stumpage must be paid. Spanish River Pulp and Paper has the right to cut pulpwood, paying a maximum fee of 50 cents the cord.

Sell Terminal Bonds

The trust deed under which the bonds were issued provided that the expenditure for completion of the line (following the reorganization under the Robert Fleming interests in 1909), that the expenditure should not exceed $30,000 per mile. With 100 miles still to complete, the builders found themselves running short of money. The trust deed provided that the directors might dispose of obsolete or unusuable property, but on no account was the continuity of the line to be broken.

In order to raise money without breaking the continuity of the line, it was decided to sell the terminal facilities at Sault Ste. Marie and Michipicoten to a subsidiary terminal company, which would then be able to issue bonds against terminal properties. This was done.

When interest was in default in 1914, receivers were appointed and there was a long dispute as to whether the terminal bonds ranked ahead of the railway first mortgage. Eventually, the bondholders came to an agreement which admitted in part the prior rights of the terminal holders. It was decided that the railway company would have to pay first on the terminal bonds, as rental for terminals. On this basis, the holders of the terminal bonds get the first 3 per cent., the terminal bonds then share equally for the next 2 per cent., and the railway bonds get earnings above this amount up to 5 per cent. The railway bondholders so far have received 3 per cent. and the terminal holders 25 per cent., leaving interest arrears totaling $6,291,600 on railway bonds and $1,514,456 on terminal bonds up to June 30, 1927.

Grade Steep, A.C.R. Gradually Improves

That the Algoma Central originally was built as a logging railway is indicated by its route, which apparently was selected more with a view to the timber than in consideration of grades. Even at that the steepest grade is one and one-half per cent. and the sharpest curve a six per cent.

Trains are about half-size and necessarily will remain light. But the company gradually is reducing grades and when the line really becomes prosperous, it is likely that some changes in routing can be effected to advantage.

Operation Efficient

Operation of the line under the bondholders' committee has been efficient and economical. Home Smith, of Toronto, is the principal representative of the bondholders of Canada, serving also on the board of Lake Superior Corporation, and another director representative of the bondholders of E. B. Barber, of Sault Ste. Marie, comptroller, who has become the general manager since the death of G. A. Montgomery.

The attitude of the bondholders' committee has been helpful, it is believed. The physical condition of the property has been maintained, particularly in recent years, at a high state of efficiency in recognition of the fact that a deteriorating property would not serve the true interests of any class of security holders. For this reason, depreciation on property and equipment has been charged regularly and sufficient sums have been spent in maintenance and repairs. Many of the original wooden trestles have been replaced with steel structures and grades have been reduced where practicable.

The guarantee of the Lake Superior Corp. as to principal still obtains, but it cannot be enforced except by the committee. It is intimated that the committee would forego certain of its rights under this guarantee if, and when, the parent corporation finds itself able to extend the steel plant and other properties which will create traffic for the railway and, perhaps, to take other steps which will justify the trustees for the terminal bonds in releasing money for completion of the terminals at Sault Ste. Marie.

An agreement along these lines was tentatively entered into in London in 1909, but fell through when the Cunningham interests of Philadelphia were unable to provide capital for the necessary expansion of the steel industry.

Depends on Steel Plant

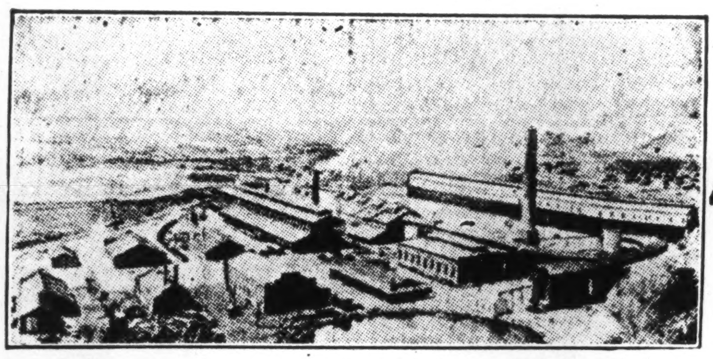
An increase in rail output from the steel plant, and an increase in other kinds of steel to be shipped to the West, or to the East, over the Canadian National lines will be of incalculable benefit to the Algoma Central & Hudson Bay Railroad.

Present traffic of the Algoma Central consists largely of rails and other steel products leaving Sault Ste. Marie for points on the Canadian National lines, pulpwood cut from private lands and being exported, sawn timber, and miscellaneous commodities going from or coming to Sault Ste. Marie, Michipicoten, or other points along the line. The passenger business is growing owing to travel by mining prospectors and others, but this branch of the business hardly is profitable as yet. There is one passenger train each way daily on the main line. This train normally is also a way freight.

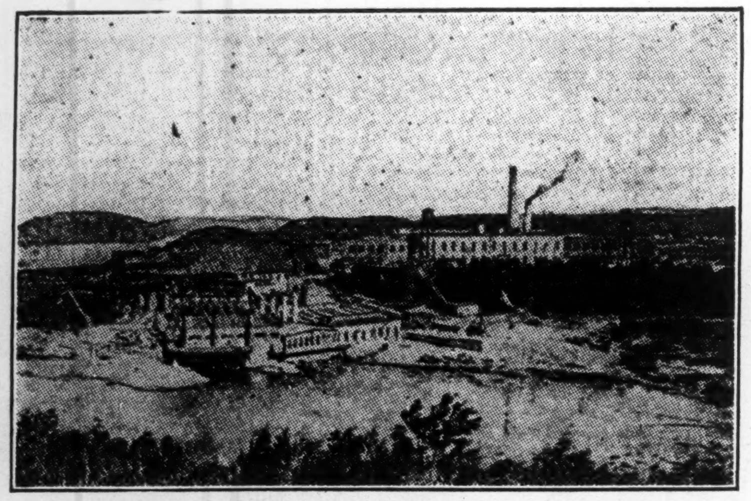
Algoma Rolling Stock Now is Inactive Company

Algoma Rolling Stock Co., Ltd., is a now inactive subsidiary of the Algoma Central Railway. It was organized a number of years ago to finance the purchase of necessary rolling stock for the line. Bonds were issued against this equipment and the company's purpose was served when these bonds were retired and the rolling stock turned over to the railway.

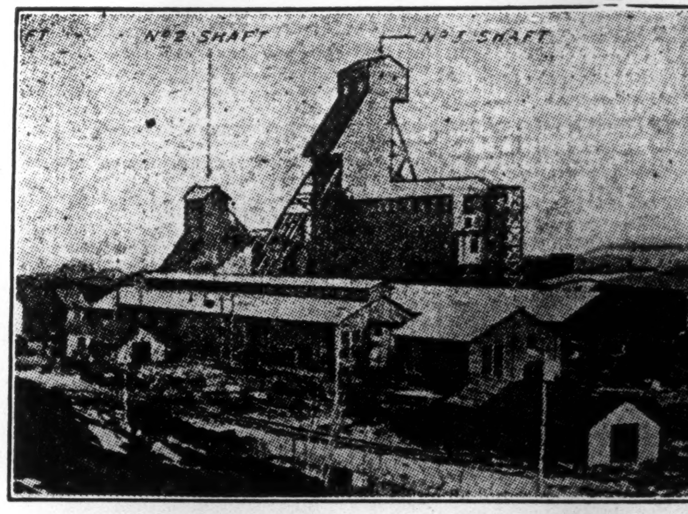
The balance sheet of Algoma Rolling Stock Co. shows the capitalization at $700.



International Nickel Smelter at Copper Cliff.



Espanola Mill of Spanish River Pulp & Paper.



The Creighton Wonder Mine of International Nickel.

TAPPING THE HEART OF A GREAT MINERAL AND PULP BELT

The Algoma Eastern Railway stretches from Sudbury to Little Current and passes through one of the richest natural regions in Ontario. Along its right of way are the valuable properties of International Nickel, including the huge Copper Cliff Smelter and the wonder mine at Creighton. The railway also taps some of the Mond Nickel properties. As the road approaches Manitoulin Island it serves the big Espanola mill of the new Abitibi Pulp and Paper Co., and provides a deep water connection for these big industrial undertakings.

THE lines of the Algoma Eastern Railway tap the nickel resources of the world. From this section comes virtually the world's entire production, and the thriving town of Sudbury is the nickel capital of the world.

On the Algoma Eastern at Copper Cliff is the great plant of the International Nickel Company of Canada, Limited, and its smelters are in constant operation; farther along the line, at Creighton Mines, is the largest individual producing nickel mine in the world.

These mines are all served by the Algoma Eastern Railway that opens for them a gateway to the cheap water-borne transportation of the great lakes. The lake port at Little Current is one of the natural outlets for mineral products and also a port of import for coal and coke and the various materials that the mines require.

In addition, the railway taps one of the great pulp and paper sections of the country. Spruce, balsam and cedar, white pine, jack pine, maple and birch are widely distributed in vast tracts. Already at Espanola there is a 320-ton newsprint mill, now part of the huge Abitibi Power and Paper Co., and future development is made possible and economic by the potential hydro-electric power facilities available. There are also extensive lumbering interests grouped about these great resources of lumber.

It naturally follows that with the growth of these great industries there will be a growing demand for all the materials to serve their needs. Progressive and flourishing towns are already growing up around these sections, and there is a world of opportunity for the merchant and the settler to be on the ground during the development stage of this section and so to be part of development and to grow and prosper with it.

This is the section served by the Algoma Eastern Railway, and no small share of this new progress is due to the service the railway has rendered in opening up and making accessible this great territory.

THE ALGOMA EASTERN RAILWAY COMPANY

Sportsmen's Delight

A RUGGED, rocky country, dotted with lakes and broken by the rapids and waterfalls of streams without number — of primeval forest of conifers, pines, balsams, firs and spruce, mingled with maples, tamarac and birch — the unspoiled home of the brook trout, bass, pike, pickerel and lunge, the red deer and moose, the duck, grouse, partridge and geese — this district along the Algoma Eastern is indeed the Mecca of sportsmen the country over.

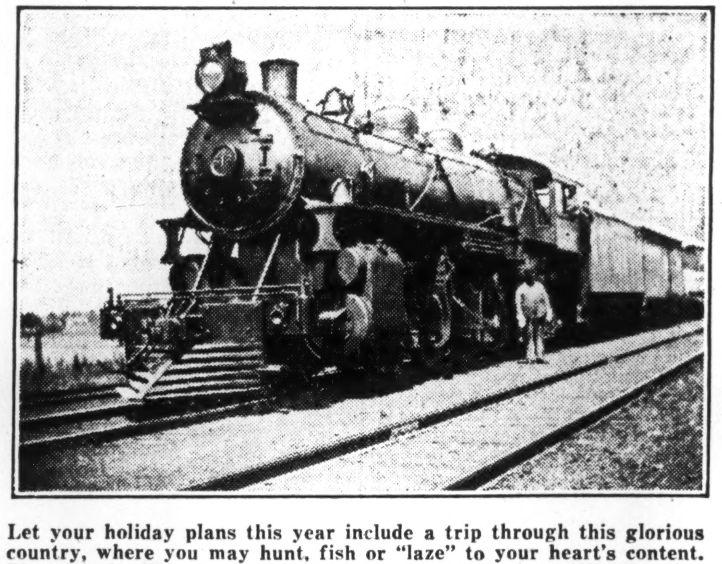
Hunting - Fishing - Camping

In the Heart of the Great Sporting District of Ontario

Nature Unspoiled

FAMED the world over for its healthful and delightful climate, the Northland, with its dry, invigorating air, its days of warmth and sunshine, its cool and restful nights, its woods perfumed by the pines, its proximity to Nature Unspoiled,—teeming with fish and game, this country is without a rival in attraction for the hunter, the fisherman, the camper and the canoeist.

HUNTING ALGOMA EASTERN FISHING
RAILWAY
CAMPING



Let your holiday plans this year include a trip through this glorious country, where you may hunt, fish or "laze" to your heart's content. Photographs like this can but dimly suggest the exquisite beauties this Northland has to offer. Whether you are looking for a summer home, a casual outing, or a chance for real outdoor life, there is no section of Canada that has more to offer. The Algoma Eastern Railway will be glad to send illustrated descriptive literature if you will write to our Sudbury office.

HUNTING ALGOMA EASTERN FISHING
RAILWAY
CAMPING

No Prettier Ride in Eastern Canada Than Up A. C. R.

Especially if You Ride in the Engine-Cab

AMAZING ROAD

Scenery, Game, Fish, Minerals and Forests in Profusion, Yet Business Slow

"Meet Mr. Fulcher!"

Mr. Fulcher—Engineer-in-Ordinary to Number 104 of the A.C.R.—sets down his big oil can, draws off a grimy leather gauntlet, and smiles.

Five minutes later, as the big engine steams out of Frater, there are three people in the engine-cab instead of two, and one less passenger in the first-class coach. The great adventure begins.

But perhaps you've never ridden in an engine cab. In that case you have still something to live for — especially if you pick an engine on the A.C.R.

The full name of the road is Algoma Central and Hudson Bay, more commonly referred to as the All Curves and High Bridges. It's all of that but a good deal more. It's by all odds the prettiest railway east of the Rockies.

The trunk of the road runs almost directly north from Sault Ste. Marie, a distance of 195 miles, until it crosses the main line of the C.P.R. at Franz. It then continues another hundred miles, crossing the C.N.R. at Oba and reaching its northern terminus at Hearst where it connects with the old National Transcontinental.

A Long Trip

Picture yourself then, starting out from the Soo at ten o'clock in the morning and spending the day winding in and out of virgin forest and stream that literally teem with wild life and gorgeous scenery.

The train won't go very fast — it takes ten hours to go two hundred miles — but then you don't want it to. Every mile brings new beauty and fascination with mountains, lakes, waterfalls and canyons passing in rare profusion.

But to get back to our engine-cab.

Another Montreal

We climbed aboard at Frater — Mile 104 — which is practically the highest spot on the entire run. By that time the train has climbed up and up, by loops and horseshoes, to a height of something like 1,600 feet. We leave Frater, perched on the very crest of the mountain and suddenly there stretches across to the left the broad blue of Lake Superior. Five miles from the coast one sees Montreal Island resting comfortably in the lake, apparently oblivious of the fact that it has a big sister of the same name, some 700 miles away.

The train makes a sharp turn (you are quite used to them by this time) and before you stretches the Grand Canyon with the Agawa River roaring along 1,500 feet below. Perhaps there are prettier spots in Canada than the Grand Canyon, but they are few and far between. The conductor on 104 told us afterward that it was a site of which he never tired—and he has been on the road ever since it was built two decades ago. So the proof of the pudding is in the eating thereof.

Out the Gateway

The road winds down through the canyon for a distance of twelve miles—high rocky walls, richly wooded with all manner of hard and soft woods. Finally the walls converge to within a hundred feet as the river passes through the sheer rock "Gateway"—a magnificent sight, especially from the precarious perch of the engine cab.

Wiarton was to be on Algoma Eastern

The Algoma Eastern Railway was to have reached Toronto via the Wiarton peninsula, according to F. H. Clergue's original plans.

At present the line is complete between Sudbury and the north channel of Georgian Bay, the terminal being at Little Current. The road was to have been built down through Manitoulin Island and a connection via car ferries established to Wiarton. From Wiarton, the dream was of a line stretching south and east to the great industrial and commercial centres.

This is but one of the many beauty spots that literally bewilder the eye of the traveler on the A. C. R. There is the Montreal Falls, for instance—a marvellous torrent, dropping some 130 feet as it winds out to Lake Superior. The train crosses the falls on a high trestle bridge that spans the river at a height of 150 feet, almost directly above the falls. The falls themselves are characteristic of the Algoma country which is literally teeming with mineral matter. The pyrites from the iron darkens the water until at times it looks like a rich black molasses whirling into a creamy foam. Such are the falls at Montreal River—in themselves well worth the all-day run from Soo to Franz.

As a matter of fact, no matter what you are interested in—Algoma will satisfy. If you are a sportsman you will find a paradise of game and fish; if you are a miner or a speculator, you can gamble on mineral potentialities that look even now like an A1 bet; if you are looking for an ideal vacation the A. C. R. maintains a dozen cottages and camps at some of the prettiest spots along the road.

And the road itself is a most satisfying institution. When it comes to a lake or a waterfall, it doesn't run back into the woods like many other well-bred systems. It winds in and out mile after mile—along the water's edge so that one has plenty of time to absorb every detail of natural beauty.

Speaking of hunting, have you ever seen moose from the train? If you haven't, you must go up to the A. C. R.

A Bull and a Cow

Fireman Major on the 104 says they hardly ever make a run without seeing either moose or deer. We saw two on the run to Franz and back. One a lordly bull and the other a cow. They don't usually wait very long when they see the big black monster steaming through the woods, although one day three or four were grazing quite near to the track; they didn't budge, so the train stopped and several passengers were able to get snaps of them. Several have been killed by the train at night—blinded by the high-powered searchlight.

Only the Railway

It is indeed a virgin country. Except for a provincial road that has recently been built from the Soo up to Searchmont — a distance of 33 miles, there are no highways of any sort—communication being confined almost entirely to a few corduroy roads built for hauling pulpwood through the forest, and trails through the bush made by hunters, prospectors and inhabitants. In other words, everything depends on the railway. There is one train a day each way—a combined freight and passenger craft—complete with diner, baggage and mail cars.

A short time ago someone tried to bring a horse into the Agawa Canyon, but the going proved too rough. Eventually the animal had to be hauled out by a block and tackle.

At Goudreau, where most of the mining activity is centred, there are ten or fifteen miles of good roads in and about the railway, and there one may see a few automobiles of rather uncertain vintage. They all have to be brought in by rail.

Model "T" Again

At Franz, the common denominator of transportation is the Ford car, but it runs, not on air and rubber as is the wont of most Fords, but on steel wheels and 85-lb. track. There are neat little Ford coupes that sit high on the track; one-ton trucks with bus bodies that hold as many as twenty or thirty at once; and the little low scooters that are used for speed and action by the fire rangers and the forestry department.

Just a word about the equipment. In spite of the fact that this road has been waiting virtually twenty years to come into its own, it is in first class condition. Eighty-five pound rails, steel trestles and an exceedingly well-kept road bed are the order of the day. There are still a few wooden trestles up at the north end of the Grand Canyon, but these are rapidly being weeded out, and will have all disappeared in a year or two. At the present time, extensive construction is being carried on between Frater and Franz, the bridges and trestles being replaced by a rock fill that makes an exceedingly permanent roadway.

Every part of the equipment and rolling stock is kept in first-class condition at the company's own shops. The coach and the diner are spotlessly clean — in fact, even the engine is fairly clean—in spots.

British America Express Pays Dividends to Parent

One of the profitable, yet smaller, subsidiaries of Lake Superior Corp. is the British America Express Company, which has the contract for carrying express on the Algoma Central and Algoma Eastern railways. This company in the fiscal year of 1927, paid $5,500, or 5½ per cent. on its capital stock of $100,000, all of which is owned by Lake Superior Corp.

Express business on both these lines gradually is increasing. If there is the expected mineral development along the Algoma Central railway in the next few years there undoubtedly will be much busines for the express company in the shipment of sample ores, etc.

Net earnings from operations in 1927 were $5,489 and other income was $107. After income tax, the profit was $5,601.

ALGOMA ABOUNDS WITH GAME, FISH, AND CANOE TRIPS

Company Also Supplies Log Cabins at Nominal Fee

Algoma is rightly called the sportsman's paradise.

If you are a hunter or a fisherman, all you need is a gun and a rod — Algoma will supply the rest.

There are great brook trout in countless numbers in the swiftly running streams. Black bass, pike, pickerel, speckled and grey trout are playing about in profusion — waiting to be tempted.

In the forests and hills there are moose and deer, and all about there is fine sport to be had bagging grouse, partridge, ducks, geese, and so forth. Black bear, lynx and fox are very often killed, while beaver, fisher, marten, otter and mink are to be seen everywhere.

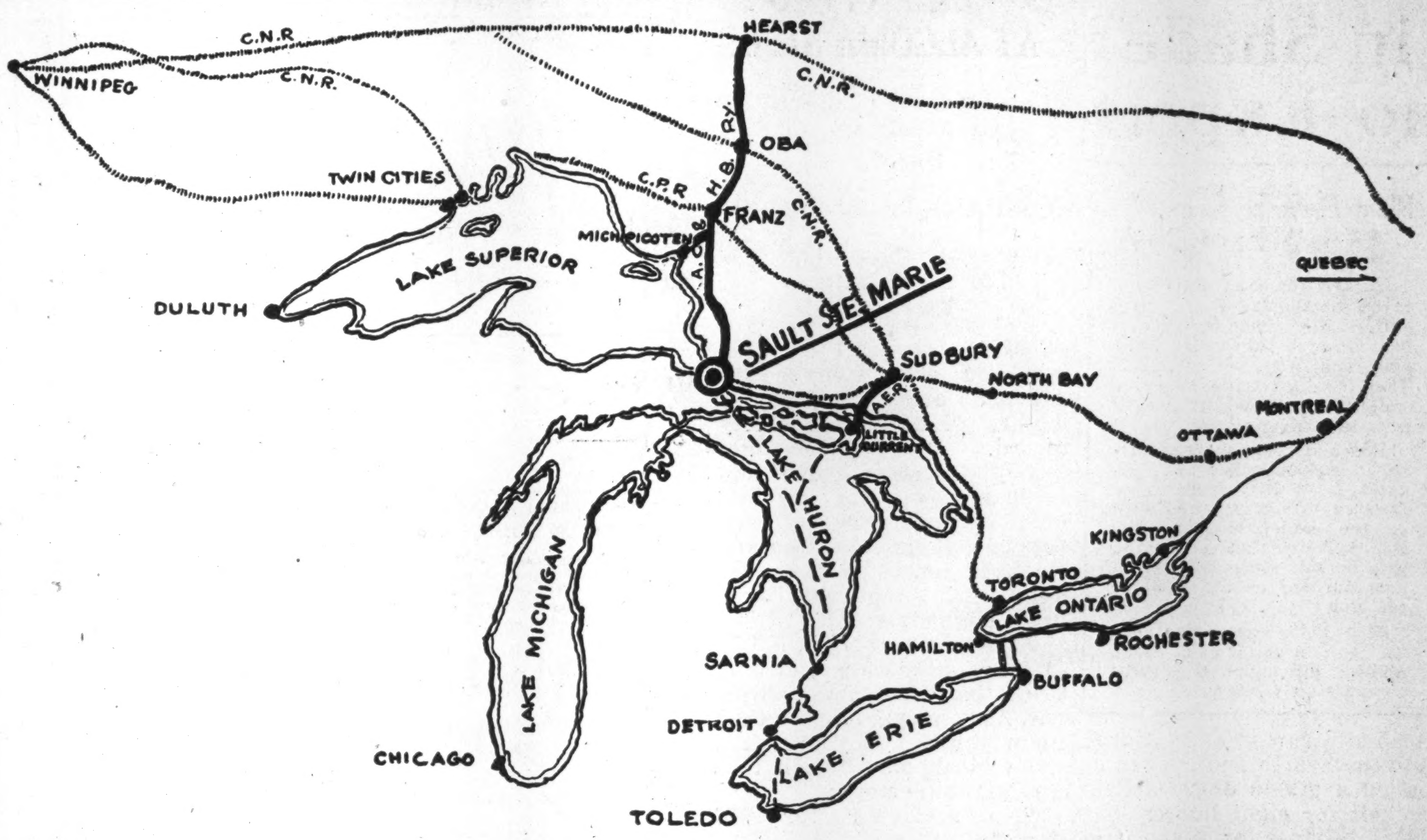
Half a day's run from the Soo will bring you into the heart of this country, which is tapped throughout its length by the Algoma Central Railway. The company operates trains up and down every day of the week, which serve as the connecting link with the outside world. Once you leave the railway track you will break into virgin forest and uncharted stream — there are no motors or even highways to disturb the peace and beauty of this marvellous country.

In addition to its train service, the Algoma Central has built a number of cottages at various places along the line. These are maintained by the company and are available for renting for any desired period at the rate of $2 per day. The cottages are 24 by 18 feet in size and are log-hewn with a large living room and two bedrooms. Each one is equipped with springs and mattresses for the six bunks, and with tables, chairs, a stove, lamps and so forth.

There is an ample supply of experienced guides for canoe trips and for hunting big game, so that the visiting sportsman need not court disaster and disappointment by starting off alone.

Incidentally the company has prepared valuable information on various canoe routes in different parts of the district, any one of which will make the canoeist's heart leap within him. They are planned to last anywhere from one to two weeks.

Situated at Very Heart of Dominion



Lake Superior Corporation, situated at the heart of the Dominion, controls a steel plant, two railways, two coal companies, a limestone quarry, an express company, and approximately 2,000,000 acres of mineral, pulp and scenic territory. The steel plant is the Algoma Steel Corporation, and is at present the prop and mainstay of the parent company. Through it are controlled and operated two valuable coal mines in West Virginia and a limestone quarry in Northern Michigan. Then there is the Algoma Central and Hudson Bay Company Railway stretching 340 miles north of the Soo, and finally the Algoma Eastern Railway which operates between Sudbury and Little Current. In this supplement there is unfolded the complete story of this tremendous organization, now valued at nearly $90,000,000.

Labor Trouble Absent from Sault Ste. Marie

Climate Attractive to Steel Workers, But Greater Factor May be Ability of Executives in Handling Men

By J. GEORGE JOHNSTON

There is never any labor trouble at Sault Ste. Marie. There has not been any since about twenty years ago. On one occasion then, when cash was absent from the coffers of the corporation and its subsidiaries, trains which had taken construction gangs and lumberjacks far up the Algoma Central were run back to town so that the boys would not be present on pay day.

Men who want their pay will not be deterred by such a trifle as lack of transportation. They walked. They rioted. They broke all the windows in the executive offices which were then in the front part of the paper mill. A paymaster who could not pay or a cashier who had no cash escaped through a rear window. Someone was found who read the Riot Act. The troops were brought from Toronto to restore order. The Ontario Government put up $1,000,000 in cash to pay the men and keep affairs going awhile. A year or two ago there was settlement between the province and the city of Sault Ste. Marie for the cost of the troops.

Mr. Franz Arrives

A little while after, W. C. Franz, now the president of Algoma Steel Corp., and a director of Lake Superior and Algoma Eastern, arrived at the Soo "well recommended" (says the report of 1909) as general manager of the 26 companies which comprised the complicated family of Lake Superior Corp. He had been general manager of the Blue Creek Coal & Land Co., and the Kanawha & West Virginia Railroad Company.

Through all the hectic financial difficulties of the following decades, Mr. Franz has remained as the efficient operating executive, doing the best that could be done while hampered for money and working with a plant that was not getting younger with the years. With money enough to pay wages when due and with a capacity for being liked by his subordinates, Mr. Franz gradually has built up a personnel which is unexcelled.

The executives themselves will tell you that it is the climate which enables the plant to blow the whistle and get a full crew of men after a shutdown of, perhaps, months. The steel workers drift to Gary, Ind., and to the other steel plants across the boundary when times are dull at the Soo, but they always come back when they hear that jobs are, or will be, available. Working conditions are not so pleasant in the plants across the line. The heat is more intense, there is no Lake Superior breeze and the quality of the ordinary labor does not attract the men who at the Soo are foremen and department superintendents.

If the executives say it is the climate, the workers and the townspeople will say, that the climate, good as it is, is not so great a factor as the earned reputation for square dealing which begins with Mr. Franz and is enthusiastically seconded by Jimmy Jones (otherwise J. D. Jones, vice-president and general manager), by Joe Wilson (otherwise J. W. Wilson, general superintendent), by the veteran James H. Bell, superintendent of blast furnaces, by J. A. MacColl, B.A., superintendent of docks and tracks, and by a score of other men in positions of responsibility.

Acts for Bondholders

HOME SMITH.
Toronto financier represents British bondholders on board of Lake Superior Corp. and Algoma Central & Hudson Bay Rly.

NEWSPRINT MILL IS NOW OPERATED BY ABITIBI PAPER

But Was Formerly Part of Lake Superior Scheme

The Soo mill of the Spanish River Pulp and Paper Mills, now a component of the Abitibi Power and Paper Company, owed its inception to F. H. Clergue's vision and foresight of the possibilities of the paper industry in the Dominion. In 1894 the one who founded the whole of the industrial development at the Soo, incorporated the Sault Ste. Marie Paper Company. Two years later the mill produced its first pulp.

To the mechanical pulp mill in 1900 was added a wrapping and building paper mill; a year later the sulphite plant was erected. But in 1902 the paper mill burned down.

Years of struggle with varying success followed until 1911 when the Lake Superior Company was formed by H. E. Talbot and G. H. Mead to take over the undertaking which until that time had been operating under the aegis of the Lake Superior Corporation interests.

A newsprint mill was erected in 1911 and the first paper was produced in 1912. In the next ten years the output of the plant was increased from 200 to 260 tons of paper daily and a board mill and two seventeen ton digesters were put into operation.

The plant now contains one board and three newsprint machines, thirty-four grinders and four digesters. This Soo industry initiated by those who were responsible for the up-building of the immense iron and steel industry has long been one of the factors responsible for the prosperity of the territory and has given permanency and variety to the industrial and social life of the Soo.

The Soo newsprint mill is the largest of the three mills of the old Spanish River Company. When operating at capacity it employs 800 men. In its woods operations the company in all employs 5,000 men.

Jimmy Waits Patiently for New Steel Mills

"Yes, Jimmy's a Gary man."

And Gary is not a fraternity, it's not a university. It's the largest steel plant in the world.

Ask anyone around the Algoma Steel plant what they think of Jimmy Jones, and you'll be in for a half hour's chat. They'll tell you he's the best steel man in the country. They'll tell you he's got a memory that puts Mr. Pelman and his pupils completely out of the picture. They'll tell you he's a wizard at handling men and delegating responsibility — but once you meet Jimmy you don't need to be told these things.

In addition to having been chief engineer at Gary for 3 years, Jimmy Jones has been from time to time engaged in a consulting capacity by the largest mills in the United States — they all know him, and like him too. He has always taken an active part in technical societies, and at the present time is a member of no less than six.

At the moment Jimmy has one hobby, and one alone. He's been nursing it now for nearly ten years. It's the new combination rail and structural mill that was started in 1918 but had to be abandoned because the bondholders couldn't see eye to eye with one another.

He Planned It

Jimmy planned the mill. He watched the foundations being laid, and doubtless he thought that at last the time had come when Algoma would be able to boast a properly balanced steel plant.

But fate was unkind. The new mill had to be abandoned after nearly $2,000,000 had been spent.

Jimmy never lost hope, though. He kept working with his plans, making changes here and there as new developments and new needs arose in the industry.

To-day there's a new light in his eye. His plans are again out on the table, and if all goes well the mill will be an actuality perhaps by next year.

To-day Jimmy Jones is vice-president and general manager of the plant, and he's a comparatively young man for the job at that. To look at him you might suspect he was a pro. golfer rather than a steel engineer of the first water.

Has Grown with Algoma

Of course Jimmy, like everybody else in and about Algoma, has spent the best part of his life there. He's grown with the plant — shared its hopes and fears, gloried in its successes, and stood behind it in times of depression.

One day he was discussing a problem with one of the engineers. Something had gone wrong in one of the special steel "mixers," and things weren't running just as smoothly as they might. There seemed to be no precedent as to what should be done, until Jimmy Jones came along. He scratched his head for a minute or two, then, as if unlocking one of memory's little safety deposit boxes:

Steel Expert

JAMES D. JONES.
As one of the foremost steel men on the continent, "Jimmy" Jones is well fitted for the post of vice-president and general manager of Algoma Steel. He has been with the company since 1912, with the exception of three years he spent during the war with the United States Steel Company at Gary.

"Why, don't you remember, Jack, we ran a mix like that in Number Three twelve years ago —." And out came the details just as if it had happened yesterday.

Yes, Jimmy knows all about Algoma and is proud of her—even now, but one of these days he's going to be so proud of her he won't know what to do. And at that he won't be half as proud of her as she is of him.

Fleet of Lake Steamers Operated by Algoma Central

The Algoma Central & Hudson Bay Railway this year is operating three steamers in the upper lakes. These steamers are the J. Frater Taylor and the W. C. Franz, each will carry 400,000 bushels of grain, and the Home Smith, which has a capacity of 450,000 bushels of grain.

A fourth steamer owned by the company, the Agawa, was wrecked off Manitoulin Island in 1927. This vessel now lies at Midland, Ont. It is older than the others. Her status at the moment is not determined owing to a controversy with the insurance company. The company abandoned the vessel to the insurers as a wreck, but it is possible that she will again be operated by the company when repairs are completed.

These vessels are general cargo boats, but naturally get a goodly proportion of the business emanating from Algoma Steel Corp., carrying ore from the Mesabi region of Minnesota and coal from Toledo, O. There usually are grain cargoes for these vessels on their trips to Lake Erie ports.

POWER COMPANY OWNS VALUABLE RIGHT ON RIVER

Great Lakes is Controlled by Insull Interests of Chicago

39,000 HORSEPOWER

Of This Amount 11,000 is Hydraulic Connected Direct to Paper-Making Machinery

Great Lakes Power Co. is the company which bought the Lake Superior Power Co. from Lake Superior Corp. about fifteen years ago. The company is controlled by the Insull interests of Chicago and thus is assured of ample financial backing if and when additional power is developed from other waterfalls within reach of Sault Ste. Marie and its industries.

The power company owns the right to take 20,000 cubic feet per second from St. Mary's rapids and that right is in perpetuity. The present development is 28,000 hydro-electric horsepower and 12,000 hydraulic horsepower delivered direct to the paper mill of the Spanish River Pulp & Paper Co.

Owns Street Railway

John F. McPhail, vice-president, and A. E. Pickering, general manager, are the operating executives at Sault Ste. Marie, other officers are: Samuel Insull, president; Martin J. Insull, vice-president; and Oliver E. McCormick, secretary and treasurer.

Capital stock of the company consists of $600,000 of 7 per cent. cumulative preferred and $2,000,000 of common, both of $100 par value. The funded debt is a 6 per cent. first mortgage, due serially. Of the original issue in 1916 for $3,000,000, approximately $2,370,000 is at present outstanding.

International Transit Co. is a wholly-owned subsidiary of Great Lakes Power. This company owns and operates the street railway in Sault Ste. Marie, Ont., and the ferry across the St. Mary's river. The ferry, which does not operate in the winter months, is a motor-driven vessel of modern design and is operated at a profit on a ten-cent fare, about 20 automobiles may be carried on one trip. The street railway, operating under a five-cent fare, is barely holding its own under present conditions. There is bus competition and the haul is long, as the city straggles for several miles along the river front. There are peak load problems to contend with, which add to operating expenses.

Domestic Ore Body Holds Some Promise

What about Algoma's iron ore?

At the present time the entire requirements of the big Soo steel plants are being met by United States ore, imported across Lake Superior from such ports as Superior and Duluth.

For many years Algoma brought its own hematite ore down from the Helen and Magpie Mines, some 150 miles north of the Soo adjacent to Michipicoten Harbor. However, in 1918 the hematite body became exhausted and the company was forced to close down the property.

In that year, however, the company made two long term contracts for the supply of ore on favorable terms and also secured a supply of manganese ore. It is this ore which the company is now using at the plant and which can be obtained at reasonable prices and with a comparatively short water haul.

Hundred Million Tons

Thus for the future, Algoma Steel hopes that within a few years it will be again developing its own domestic mines. These are adjacent to Michipicoten Harbor, and contain some hundred million tons of low grade ore which must inevitably form the chief source of supply for Algoma Steel. At the moment two factors cloud the issue, but both of these are likely to disappear within the next few years.

The first of these is that at present, the higher grade American ore is a more economical proposition than the company's own reserves. Shortly, however, it is believed that this high grade ore which is at present readily accessible to Algoma, will be used up and with this source of supply removed Algoma will return to its own domestic supply.

Larger Output Needed

The second factor is that at the present time the annual output at Algoma Steel is not sufficient to warrant the economical operations of a smelting plant which would be necessary before the Algoma ore can be used. However, with the prospect of a steady and fairly rapid increase in production over a period of years, Algoma expects that before long it will soon be operating its plant sufficiently to warrant the erection and maintenance of melting facilities adjacent to Michipicoten.

Steel Open Hearths Put Dante in Shade as Inferno Expert

Blue Glasses Needed to Watch This Business

EXPERTS USE EYE

Can Tell Grain of Molten Steel by Looking At It

You'll need blue glasses in purgatory.

This is the lesson of the twelve roaring open hearths at Algoma.

You can't look at these pits of boiling steel without blue spectacles. The human eye can't stand the intense glare of the seething molten metal. Sooner or later it would go blind looking at this seething liquid that boils at the livid white heat of 3,000 degrees Fahrenheit.

If you have ever been in a steel plant you'll realize that an open hearth is the name of the furnace from which steel is made out of iron. Iron is made in a blast furnace and poured either into ladles or into "pigs" or bars.

At Algoma the huge ladles of molten iron — each ladle holds 20 tons — are hitched on to an engine and trundled along to the extreme end of the open hearth plant. Here the ladles are tipped and the molten metal disappears into the bowels of the biggest vessel in the entire plant—a 300-ton mixer.

Imagine a gigantic cauldron about the size of a small house, and you get some idea of what a 300-ton mixer looks like. Into this the molten iron and scrap are poured to be kept molten until the time comes to pour them into the open hearths. And this pouring business is a sight marvelous to behold.

A Gorgeous Sight

An electric motor whines and drones overhead. Suddenly the huge cauldron comes slowly tipping toward you as if some unseen giant were lifting the far edge. You see the brilliant orange glow at its mouth — kept incessantly at fever heat by a thick jet of burning gas — then all at once the fiery stream starts to trickle out.

Dante would have had a new inspiration for his Inferno if he could have seen a stream of boiling metal dropping a sheer thirty feet into a 20-ton ladle. A thousand streams of sparks fly in all directions as the metal touches the cool sides of the ladle and the fiery "mix" rises higher and higher in the pot.

No Back Wall

But to return to the open hearths. An open hearth isn't really open. To look at it is something like a large brick furnace whose heavy steel doors raise and lower by means of levers operated at the other side of the building, 50 feet away. The open hearths at Algoma have no back wall — just a concave bottom and roof meeting one another about five feet above the bottom of the pit. If you look inside while it is inactive you will see that the hard silicon brick of which it is made is like a dark, rough honeycomb, the refractory having cooled into thousands of miniature stalactites and stalagmites. At the very bottom of the pit is the little hole about four or five inches in diameter from which the metal is tapped. Half way up the oven is the "slag line"—the scum that rises to the top and is skimmed off to leave the pure steel underneath.

Boiled Eight Hours

Each "heat" takes approximately eight hours. That is to say, the molten iron and the hot scrap steel is poured into the hearth and cooked or boiled a t3,000 degrees Fahrenheit for eight hours. The usual mixture or scrap and iron is about 55 per cent. iron and 45 per cent. scrap. There are twelve open hearths in all, three have a 75-ton capacity, one 65 tons, and the remaining eight are 60-ton hearths.

When the mixture gets nicely under way, a test is made. A long iron tong with a sort of cup on the end is thrust into the inferno and a sample is brought out for the grain and fracture tests. Expert steel men—and there are lots of them around the Algoma hearths — can tell the grain of molten steel accurately with the naked eye. Of course, the final decision as to the composition of the sample rests in the laboratory, whence every sample finds its way, but much time is saved by having trained experts on the job.

Thus for eight hours the "patient" boils merrily under the watchful eyes of the experts. Blue eyes, of course, because by the time steel has reached 3,000 degrees it is too dazzling for anything but blue glasses.

Tapping Fascinates

"Tapping" a hearth is a fascinating business. The "plug" that stops the hole in the pit of the hearth is bored with great care — there is a roar and a hiss and the pure whitish stream shoots out. Great care must be taken not to let any air into the mould — the ingot must be pure, perfect steel. If air gets in there will be a "pipe" in the steel — just like the holes one finds in a loaf of bread. To overcome this difficulty, the ingots are poured upside down, as it were, and the bottom is plugged with a long stopper, the end of which is of hard silicon brick. This allows the metal to go in slowly and evenly and also permits the slag to rise to the top and be taken off through the aperture.

Bloomed and Rolled

The moulds, each with their molten ingot, are "stripped" and then trundled into the soaking pits — there to allow the steel to be toughened and hardened as it cools. But it doesn't get very much chance to cool. While it is still so red hot that one cannot stand near it, a pair of huge steel jaws seize it and drop it on to the blooming mill. You see an ingot is rolled into "blooms." The blooms are then re-heated and each bloom is re-rolled into a longer and smaller unit which may be either a billet or a rail, depending upon the product of the plant at the moment.

Thus the process continues. After the blooming mill there is a re-heating furnace where all blooms must go before being rolled into billets or rails. Then there is a high-speed steel saw that cuts the steel bar like so much butter and sends a stream of sparks across the plant. If rails are being made, the entire process is done by means of rollers which fashion the red-hot metal into the standard shape that is so familiar. The rail is then straightened, punched and rolled out on to a huge long rack to be cooled.

Perfect Rotation

If billets are being rolled, the steel is cut into shorter lengths and endless belts carry the red-hot shapes to the various parts of the finishing mill. There the splice bars, tie plates, fastenings, angles, beams, channels and so forth are rolled, punched, notched, straightened and quenched, as the case may be. Everything moves in perfect rotation — there is no "backing up" until the product is finally stored in the warehouse sheds ready for shipment.

Blast Furnace Grip is Aid to Golfers

Husky lads who tap blast furnaces should make good golfers. They drive long heavy bars through baked clay until slag and iron are released. They have a terrific swing of weighty mallets and never miss the quivering bar.

James H. Bell, veteran furnace superintendent at Algoma, says that accuracy is assisted by the squared grip on the mallet handles. Mr. Bell believes that a squared grip on golf sticks would prevent turning of the head of the club.

Mr. Bell's associates say that he is a golfer of no mean ability, although he started comparatively late in life.

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"SAFETY FIRST" IS REAL CREED AT ALGOMA STEEL

Men Operate Committee and Are Proud of Record

COMPARATIVELY NEW

But Already Coke Plant Has 716 Clear Days to Its Credit

"Safety Always First" is a sign you will often see at Algoma, and this city is mighty proud of its safety record.

With between 2,000 and 3,000 men working day and night in the hazardous business of making coke, iron and steel, it seems in the very nature of things that accidents ought to occur.

At Algoma, though, it is a matter of intense personal pride that accidents don't occur. As you walk into the coke plant you see to your left a huge blackboard which tells a remarkable story:

"No accidents for 716 days."

Two and one-half years without an accident. Of course, with a record like that, every man is doing his utmost to make the record 1,000 days, and it will be indeed a unique achievement if this can be done.

A Recent Growth

It was only in 1926 that Algoma really made a concentrated drive upon its accident record. Previous to that there was a certain amount of accident work done, but it had not been followed up by anything like the intensity that has characterized the last two years. The record shows it has been worth while. Here are the figures for the two years 1926 and 1927:

	1927	1926
Accident Cost	$20,227	$35,147
Assessment paid to Workmen's Compensation Board	$38,682	$51,642
Assessment rate	1.25%	1.80%

This is an exceptionally fine record for so short a period of time, especially where the employees are engaged in such a hazardous occupation as the steel industry. At the present time every effort is being bent toward beating the record so that for this year the assessment rate will be reduced to $1, as against $1.25 in 1927.

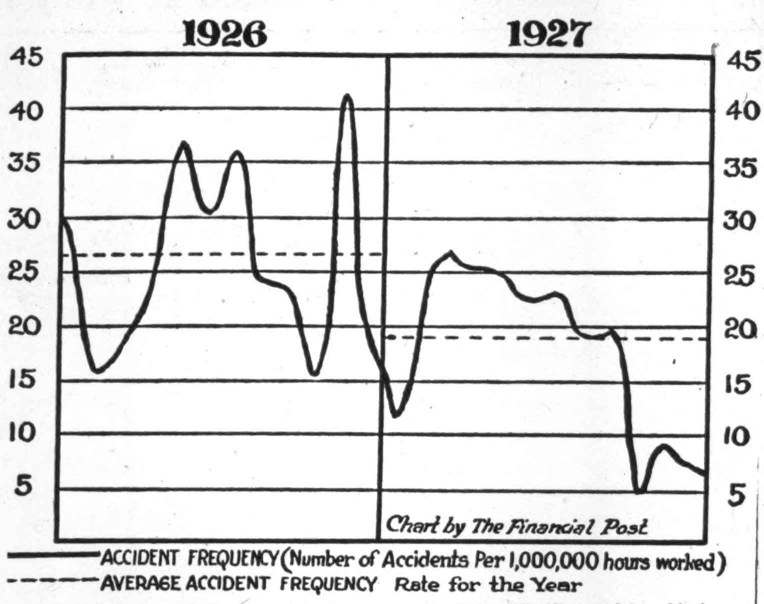
Run by Men

One of the interesting features of the safety programme at Algoma is the committee which is charged with the supervision of safety throughout the plant. This is made up of representatives of the various departments and meets every Friday in the afternoon for two hours. The men run their own meeting through their 30 representatives, and each year elect one of their number to head the organization.

Each year this employee, appointed by the men themselves, is sent at the company's expense to the annual safety convention wherever it is held. In this way, a tremendous amount of enthusiasm is created and the employees get a real opportunity to work out their own salvation in the matter of safety in and about the plant.

BUILDING PERMITS UP

OTTAWA. — The value of building permits during July showed an increase of $3,268,079 or 14.4 per cent., as compared with the preceding month, and of $9,527,791 or 58.2 per cent. as compared with July, 1927. The aggregate for 63 Canadian cities was $25,896,986, as against $22,628,907 in June, and $16,369,195 in the same month of last year. The total for July, 1928, is the highest for that month since the series was commenced in 1920, according to the Dominion Bureau of Statistics.



Here is the graphic evidence of what Algoma's "Safety First" record is achieving up at the Soo. It was not until 1926 that a concentrated drive was made upon the accident record, but even in a short space of time the progress is impressive. The rate for workmen's compensation insurance dropped from $1.80 to $1.25, and this year it will probably get as low as the $1.00 level.

No Mail-Order Parts for Algoma Central

Major Repairs on Locomotives Carried Out at Soo at Costs Kept as Low as on Bigger Lines

Anyone who was under the impression that the Algoma Central & Hudson Bay Railway was an insignificant railway getting its supplies from a mail-order house will be surprised if he visits the locomotive and car shops at Sault Ste. Marie.

There is a modern roundhouse (which actually is a rectangle, thereby keeping turntable under cover) and every operation in the rebuilding, repairing and maintaining of locomotives that is carried out in the shops of the largest railways is carried out at Sault Ste. Marie. Nothing is lacking, from the traditional blacksmith's forge to the latest of electric-welding outfit.

Rebuilds Locomotives

Usually, one or other of the 21 locomotives of the line is in process of rebuilding, with new tires being fitted on wheels, with new bolsters being fitted, new bearings machined, the fire-box rebuilt and the boiler thoroughly overhauled. There are overhead cranes and other hoisting apparatus which are necessary in the handling of ponderous machinery.

Most parts to be replaced on engines are manufactured there from steel made next door by the Algoma Steel Corp. The Algoma Central Railway is far from the sources of supply of finished parts — which sources are Kingston and Montreal—and on many occasions there would be freight on the steel in both directions if the railway had not the manufacturing facilities at hand. Although the volume is not so great as in the large shops, it is said that costs compare favorably. C. D. Rafferty is the company's master mechanic.

The car shops of the company are in the original buildings. Built for a woodworking shop (cars were built there on contract twenty years ago) the company has been hampered in making repairs since steel replaced wood in the frames of freight cars. Yet it is said that costs in the car shop are kept at a reasonable figure. There is some modern apparatus which enables the company to test air-brakes and thus collect for repairs made on cars of foreign roads.

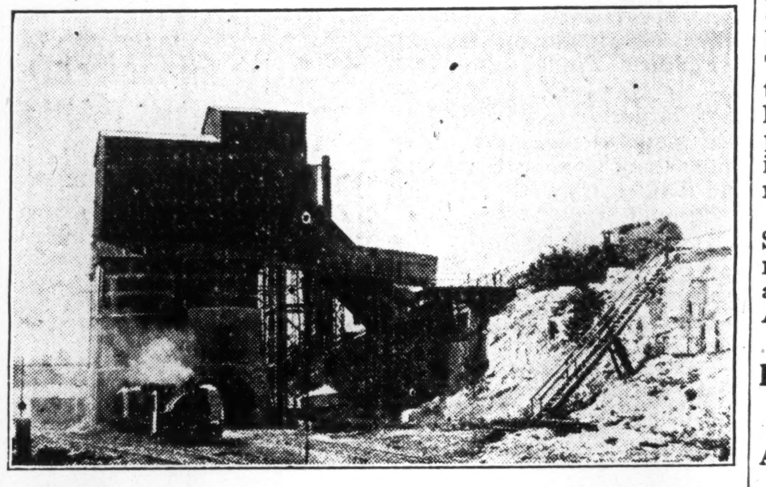
Algoma Men Enjoy Hockey and Baseball

There is a theory around Algoma that it is the imaginary worries that cause dissension and trouble in a steel plant. As a result of this theory, everything possible is done to keep the men happy and occupied, even when they are not actually employed at the plant.

Two of the practical examples of this idea are the very successful softball and hockey teams organized by the men. In softball there are twelve teams and during the season three games are played every night, for four nights a week. There is a handsome trophy which is awarded at the end of the season to the winning team and for which there is keen competition.

There is also a hockey trophy and throughout the winter a regular schedule of inter-department hockey games is arranged, the games being played on the rink provided by the company.

CRUSHING LIMESTONE AT FIBORN



Algoma has its own limestone deposits not sixty miles from the Soo. Here is the crusher plant at one side of the quarry. The deposit is an exceptionally valuable one in that the proportion of calcium carbonate averages 96 per cent. Production is running at capacity at the present time, or 30,000 tons a month. The property covers something like 640 acres.

Extent of Steel Plant Demonstrated by Figures

Statistics are at best a cold commodity, but here are a few concentrated facts about the huge Algoma Steel plant that may help towards an appreciation of the size and importance of this property.

Owns 2,300 acres of land, with 4 miles of water front.

Annual capacity of iron and steel plant—547,000 tons pig iron; 600,000 tons 35-inch blooms; 72,000 tons 32-inch billets; 600,000 tons ingots; 300,000 tons rails; 60,000 tons 18-inch merchant steel; 30,000 tons 12-inch merchant steel. Annual capacity of coke plant—720,000 tons coke; 6,000,000,000 cu. ft. of gas; 10,000 tons sulphate ammonium; 5,000,000 gallons of tar.

Through wholly-owned subsidiaries it can mine 1,260,000 tons of coal per annum; 300,000 tons of limestone, while its new brick plant has a capacity for manufacturing 5,000 silica bricks per day.

Has dockage facilities capable of handling 1,000,000 tons of coal and 1,000,000 tons of other material during the year. 10,000 tons of coal can be unloaded in 16 hours by means of three unloading towers. The ore dock is 2,000 feet long and is served by three ore bridges, one of which has a capacity of 100,000 tons per month.

NEWSPRINT HELPS ALGOMA EASTERN TO PAY ITS WAY

That and Coal for Sudbury Improves Outlook of Line

The Algoma Eastern Railway, controlled by Lake Superior Corporation, through ownership of 50 per cent. of the common stock and all of the preferred stock, operates a line 85 miles long from Sudbury to Little Current, on the north channel of Georgian Bay.

In the last two or three years, this line has earned something above bond interest and operating charges, thanks to the growing traffic in newsprint from the Spanish River mill at Espanola and the increase in coal tonnage from Little Current to the International Nickel plant at Sudbury. Little Current is Sudbury's nearest port.

The line is well constructed and efficiently operated and possesses modern terminal facilities at Little Current for the economical handling of all classes of traffic between ship and cars.

Securities of this railway in the hands of the public consist of $2,226,500 of 5 per cent. first mortgage bonds, with no arrears of interest, and $1,000,000 of common stock on which no dividends have been paid. However, the company shows in its balance sheet an item for $877,190 as "accruals for depreciation of rolling stock, bridges, etc., and miscellaneous reserve accounts." So long as this item remains substantial, and while there is a deficit in surplus it does not appear that earnings will be available for either preferred or common stock.

In the year ended June 30, 1927, the company earned $171,380 after interest, rental of terminals, other interest and reserve for income tax. The deficiency carried forward totaled $496,833. The outlook for this line is considered good in view of the expansion of the nickel and newsprint industries and the growing development of minerals within the traffic-producing region of the line.

There is no physical connection between the lines of the Algoma Central and Algoma Eastern, but both were projects of F. H. Clergue, completed in later years and there is a financial connection through Algoma Central Terminals, Ltd., which is a subsidiary of Algoma Central Railway.

Bonds were floated in England about fifteen years ago for construction of terminals for the Algoma Central at Sault Ste. Marie and Michipicoten. As it was not thought desirable to make a separate bond issue for the needed terminal of Algoma Eastern at Little Current, it was decided to make the Algoma Central bond issue large enough to cover the cost of both. Thus Algoma Central Terminals owns $900,000 of terminals bonds of Algoma Eastern and Algoma Eastern pays Algoma Central Terminal $54,000 annually as rental for terminals.

Algoma Central shops at Sault Ste. Marie effect major repairs to locomotives, cars and other rolling stock of Algoma Eastern.

FINE REPAIR SHOPS DO USEFUL JOBS

Algoma Steel Does All Its Own Mechanical and Electric Work

As far as its operations are concerned, the Algoma Steel plant is one of the most self contained units in the country. No matter what needs to be done in the way of repairs and replacement and so forth, Algoma is equipped to do it. Right in the heart of the plant there are half a dozen compact shops fitted up with modern equipment capable of handling any mechanical, electrical and emergency job which may occur at the plant.

For instance, in the forge shop, huge 30-ton castings can be turned out just as easily as the bolts and nuts which the company manufactures for its own use in another part of the workshops.

The company does all its own engine repairs. It takes care of all its mechanical and electrical work and in addition supplies its plant with a lot of small items such as bolts and wheels and so forth, which enable it to keep this part of the plant operating very steadily. For instance, it looks after every one of the thousands of electrical motors which are contained in and about the place. It winds its own armatures and repairs the motors just as efficiently as any electrical plant.

It does a little outside work, too. For instance, it is almost constantly repairing machines for the adjacent pulp and mining companies.

Algoma is Jealous of Her Reputation in Motor Car Field

Has Pioneered Make of Alloy Steels in Canada

A SCIENTIFIC JOB

Even Henry Ford Baffled by Fine Art of Making Steel

Henry Ford has a nasty habit of scrapping steel.

Or rather, he doesn't exactly scrap it, he just sends it back to the manufacturer —by the carload. Eventually he got so tired of scrapping steel that he decided to make his own. He set aside millions of dollars and built one of the most marvellous steel plants in the world. It was a model plant in every respect.

But still he couldn't make steel. He tried many, many times to come up to his own rigid standards in his model plant and soon it began to dawn on him what a fine art steel-making really is.

Perhaps that's the reason why Algoma Steel is rapidly capturing the Canadian market for automobile steel. Algoma was the first Canadian plant to make alloy steels of all descriptions and at the present time there's no kind of steel for automobile springs or forgings that Algoma cannot make.

More than that, Algoma has been able to pass everybody's test with flying colors. Even Henry Ford takes his hat off to it, and his test is acknowledged to be the most rigorous of all.

They All Use It

No matter what kind of a car you drive if it is made in Canada, Algoma steel will in all probability have been used in the manufacture of its springs, shafts, axles and so forth. Overland, Ford, Chrysler, Dodge, Buick, Chandler, Willys-Overland—all of them are using Algoma steel.

Of course this steel is not shipped direct to the manufacturers. The steel is supplied to such firms as the Dowsley Spring and Axle Company; McKinnon Industries Limited; the Guelph Spring and Axle Company, the Dominion Forge and Stamping Company; the Central Spring Company and so forth, which in turn fabricate the bars and rods into the finished products, such as bumpers, springs, shafts, axles, spindles.

Many Different Kinds

And there are all sorts of alloy steels. Practically every automobile manufacturer has his own preferences and requirements. There is ordinary chrome steel, as well as nickel vanadium and molybdenum alloys. Then there is the more complicated formula of chrome nickel, chrome vanadium and chrome molybdenum, and also a silico manganese alloy.

This entire field is, of course, a comparatively recent one and Algoma is taking great pains to meet the most rigid requirements of the automobile manufacturers, and is successful in spite of the fact that the American steel plants have the distinct advantage of a market about ten times the size of the Canadian one, which permits a much more economical production.

Metallography

It is chiefly in this connection that Algoma has at considerable expense fitted out a metallographic laboratory which is about the most up-to-date thing of its kind in Canada. In this laboratory, complete records are made and kept of every run of steel and iron that is made at the plant. Experiments are carried on, and there is every conceivable appliance for analysing, X-raying and photographing steel. With this scientific apparatus, Algoma is ready to stand behind every bit of steel it produces—and the controversy, if any, can be taken right into the customer's camp, and definite proof submitted as to the exact content of the Algoma product.

Here's the Secret of Good Steel

"How long have you been here?"

You may ask this question of practically everyone you meet in and about Algoma Steel and the average figure will be between 10 and 15 years. A great many of the men have been there since the plant started 26 years ago.

That's one of the ingredients of good steel.

"Joe" Wilson Doesn't Fear Labor Trouble

Once you know Joe Wilson you realize why Algoma Steel has the best esprit de corps of any steel plant in Canada.

He wasn't born on an open hearth or a rolling mill, but he might as well have been, because he knows the business inside out and every man-jack about the place. Most of them he knows by their first names, as a matter of fact, and certainly everyone calls him "Joe." That is no mean accomplishment for a plant which employs between 2,000 and 3,000 men.

To-day Joe is general superintendent, and with everything going full blast he's about the happiest man about the place, which is saying a great deal.

"Labor troubles?" says Joe, "we never get near them. If anything isn't going just right, the boys know me well enough to come over and talk it over. We get the things straight right from the start and trouble doesn't get a chance to start. Of course we get a few bad actors in occasionally, but they soon get weeded out and, as a matter of fact, practically all of us have grown up together in the business — it's really like a great big family."

And Joe is right. Algoma is succeeding in the manufacture of fine steel where model plants such as Ford tried to build with his millions have failed.

MANY NEW FACES ON DIRECTORATE

Several Canadians Recently Added to Boards

Here is a list of the various officers and directors of Lake Superior Corporation and also those of its three main subsidiaries:

Lake Superior Corporation

Officers—Robert Dodd, president; W. C. Franz, vice-president; Alex. Taylor, vice-president and secretary; J. W. Gemmell, vice-president and treasurer.

Directors — Robert Dodd, Montreal; W. C. Franz, Sault Ste. Marie; R. Home Smith, Toronto; Alex. Taylor, Toronto; Norman J. Green and Leo F. Craig, Philadelphia; Thomas Arnold, and Leonard E. Schlemm, Montreal; J. D. Jones, Sault Ste. Maine; H. C. Coleman, Philadelphia.

Algoma Steel Corporation

Officers—W. C. Franz, president; J. D. Jones, vice-president and general manager; J. W. Gemmell, vice-president in charge of finance; E. W. Shell, treasurer; E. Gary, comptroller; Alex. Taylor, secretary.

Directors—W. C. Franz, Alex. Taylor; R. Home Smith; H. C. Coleman; J. D. Jones, Robert Dodd, Thomas Arnold, Leonard E. Schlemm, Norman J. Green.

Algoma Central & Hudson Bay Railway

Officers—R. Home Smith, president; E. B. Barber, vice-president and general manager; Alex. Taylor, secretary; J. M. Alton, treasurer.

Directors—R. Home Smith, Alex. Taylor, Toronto; R. S. McCormick, W. J. McCormack, E. B. Barber, H. J. Herrold, Sault Ste. Marie, Ont.

Bondholders' Committee — Sir Alex. Roger, chairman; E. E. Ford, secretary; J. C. Dalton, C. B. Smith-Bingham, Andrew Williamson.

Algoma Eastern Railway

Officers—E. B. Barber, president and general manager; W. C. Franz, vice-president; Alex. Taylor, secretary; J. M. Alton, treasurer.

Directors—W. C. Franz, J. W. Gemmell, E. B. Barber, J. D. Jones, Sault Ste. Marie; Alex. Taylor, R. Home Smith, Toronto; L. E. Schlemm, Montreal; Sidney Mason, R. W. Childs, Thomas D. Wood, Philadelphia.

Boiler System Pumps 54,000,000 Gallons

Any waterworks system would be proud of the boiler plant at Algoma Steel. All told the capacity is about 54,000,000 gallons per twenty-four hours, and consists of three reciprocating steam pumps each of 3,000,000 gallons capacity; three motor driven centrifugal pumps of 5,000,000 gallons capacity; one steam-turbine-driven centrifugal pump of 15,000,000 gallons capacity, and a reserve motor driven centrifugal of another 15,000,000 gallons.

The plant is equipped for any emergency and can maintain its very important function in the making of steel, no matter what happens.

TO PROSPECT FRASER RIVER

VANCOUVER.—After more than half a century of neglect, the old gold-bearing bars of the Fraser River are being extensively prospected again and mining men predict a new era of intensive development on this famous mineral-rich stream. Not since the early sixties has the Fraser been prospected so thoroughly as now.

Good News Begins to Show in Mining Market Trend

CANADIAN MINING NEWS

Regular Weekly Department of The Financial Post

Malartic New Ore Body Shows Values on 85 Feet

MUCH GOOD NEWS FROM THE MINES STIRS UP MARKET

Substantial Recoveries and Advances Made by Number of Mines

NORANDA LEADING

Hopped Back to 55 — Sudbury Basin Strong — New Golds in Demand

The mining market showed quite a revival of late. Noranda had a sudden come-back to above $55, where it seems to have stabilized for a time, at least. Sherritt-Gordon, Sudbury Basin, Pend Oreille, all showed new strength, while in the gold stocks, three development operations, Howey, Bidgood and Malartic, all scored advances.

There has been quite a lot of new buying coming into the market, evidently in anticipation that there will be a substantial interest in the mining shares during the fall. Some of the traders say that the temporary money situatio nis proving embarrassing, but express the opinion that despite this, the market should show an upward trend because of the tremendous volume of good news that has been coming out from the mining camps.

Noranda Strong

News from Noranda is consistently bullish and is likely to be as the deep development work is now at a stage where surprises may be provided daily. In addition the smelter is making quite an earnings record, as will be seen from figures published elsewhere.

Amulet Backward

Amulet shares have been a little backward. There was heavy buying of this issue in anticipation of a progress report in July. To those in touch with the operation, it was known that such a report was impossible, and will hardly be available for a few months at least. The directors could issue a statement now, giving some good news that is already in the hands of the public, though unofficial, but the facts would in no way be conclusive. Amulet has considerably more driving to do on the 150-ft. level before it will be able to give a statement on the lateral size of the ore bodies.

Sudbury Basin Break

Much conjecture has been going on as to the cause of the break in Sudbury Basin. Undoubtedly the banks' attitude brought on considerable selling, but it is believed that the position taken by two brokerage houses, was in the main responsible for the decline. They took the stand that there would be no good news from the properties for some time, and decided that funds had a change of appreciation elsewhere in the meantime and so got their clients out. As these two houses were heavy sponsors of the stock previously, this created a large amount of selling. From the property standpoint the operation is steadily improving.

Sherritt-Gordon Strong

Sherritt-Gordon shares have firmed up somewhat. The report of the two brokers to clients on Sudbury Basin might well apply here. It will likely be late in the fall before a further report will be issued on this operation. But when it comes it will be brimfull of features. Sherritt engineers are driving rapidly ahead on underground work, presumably to be able to show up a large tonnage of ore quickly with the idea of influencing the C.N.R. to push ahead immediately with its branch from the Flin Flon as soon as the rails reach the Flin Flon section. Facts revealed by Dr. Wright, of the Geological Survey, whose article was published in The Financial Post last week, have awakened a new interest in the venture.

Hudson Bay Quiet

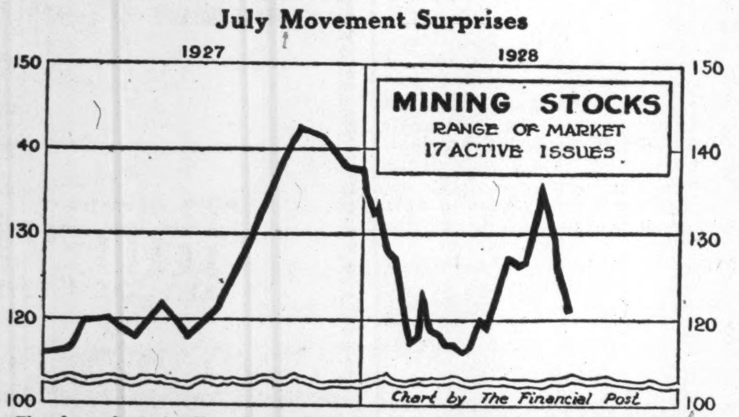
Hudson Bay shares have been stationery. The reason is that there is little news to buoy up the market. This will likely continue. The construction program, now ahead of the company will take a long time to work out, and in the meantime the only work in the mine is the stoping of ore for further tests of the pilot mill using water drawn from another lake. Vegetable matter in the water has interfered with the metallurgical tests on this ore, and for a time created a severe problem.

Howey Gold shares have advanced

(Continued on page 28)

lin Flon Mining Opportunity
A genuine and substantial opportunity for the investor.
One of Manitoba's most promising properties.
Manitoba Flin Flon Mines Syndicate
Six claims adjacent to Flin Flon on the West.
Ten claims adjacent to Flin Flon and Mandy Mines to the South.
Surface assay exceeds that of nearby mines.
Complete Information Will Be Mailed Upon Request
W. B. CUMMING & CO., Ltd.
21 King St. East,
TORONTO 2, Ontario

July Movement Surprises



The above chart visualizes the trend of mining stocks from the first of last year up to July 31st of this year. With everyone lamenting the way the market has gone to pieces, the trend of prices as depicted on this chart will undoubtedly create some wonder. Noranda provides the answer. Its substantial rise more than offsets the decline in the gold and silver stocks. The gold issues have steadily declined since early in the fall of 1927, Hollinger providing the leadership in this regard. Silver and miscellaneous issues held fairly firm until the spring of this year, due principally to the strength in International Nickel, Sherritt Gordon and Sudbury Basin. Undoubtedly August figures will show a continued downward trend.

Malartic's New Level Shows Ore Body 85ft. Wide Where Cross Cut

Engineers Much Impressed — Many Operate in Area

By Staff Editor

AMOS.—Malartic Gold Mines is opening up in such a spectacular manner as to attract the undivided attention of mining men and the general public in the North Country as well. Developments have been so impressive as to start a wave of buying, which many expect will be reflected in an upward swing in the Malartic's price level.

Engineers who have recently visited the property, speak highly of the possibilities indicated by recent development work. On the 375 foot level, the cross-cut has been driven into an ore body for a total width of 85 feet. The ore is reported to run over $20 to the ton for a width of from 12 to 15 feet, $7 to $8 for 75 feet, and $6.90 over the total 85 foot width.

A staff of 65 men are working, and arrangements are being made to secure additional power.

The mining district around Amos is steadily responding to the large amount of development work that is being carried out in this area, embracing the townships of Cadillac, Malartic, Dubuisson, and Bourlamaque. There are some sixty mining organizations holding ground in this territory, the majority of whom are actively engaged in development work.

Efforts are being made to secure the co-operation of the government in opening up roads to the different properties, and work has already begun in the case of some of the outstanding properties.

C. P. R. May Extend to Malartic Area

It is reported that a survey party is now running lines with the object of tapping Amos, Quebec, by extending the present C.P.R. line from Mount Laurier north. This would provide a direct communication with Montreal, and would advance the work of opening up this district many years. Prominent Canadian Pacific officials are reported to have paid several visits to the district this summer. This line would open a section considerably to the east of the C.N.R. or T. & N. O. Rouyn branches.

WAINWRIGHT OIL HUNT IS REVIVED

WAINWRIGHT, Alta.—The oil hunt in this field is being resumed in quite an intensive manner. Success of the Wainwell Co. has encouraged all.

Sasko-Wainwright have now cemented in their first string of casings, and expect to renew drilling again at around 700 feet. Rotary equipment, in charge of Frank Stevens as driller is being used in this property.

The derrick for the Wainwright Dome Oil Company is now completed and arrangements are being made for the placing of a standard rig to work on this property. This will likely be in charge of Roy Berray.

The Fabyan Petroleums, which received a satisfactory water shut-off test from the government, has resumed drilling and are making good headway. Already heavy gas flows, estimated at from four to eight million feet, have been encountered and passed through, and the approach of the oil sands is being eagerly looked forward to. Coring will be inaugurated as soon as evidence is reached. Newton Harvey, who is well acquainted with the strata of this field, particularly in the Fabyan district, is the driller in charge, while R. E. Williams, president of the company, and who put down the Maple Leaf well that supplies gas to the town of Wainwright, is field manager on the ground. This hole is started off with fifteen-inch casing, giving ample scope for carrying large size casing to almost any producing depth.

The Wainwell Oil Company has been making excellent headway with standard equipment on their No. 2 well. This work is in charge of "Rusty" Heard, from the Montana fields, as driller, while P. D. Bowlen, representing Toronto capital, and J. C. McNabb, representing the Winnipeg capital, are on the ground looking after operations and the placing of their refinery in working condition. Arrangements have been made whereby a shipment consisting of several tank cars of crude from Wainwell property will be made to Western Canada Refinery as soon as shipping facilities are completed.

Campbell Hunter, British geologist, is now on the ground for the London Ribstone Petroleums, whose drilling site is at Dunn, Alberta, and where finishing work is being carried out on their shaft preparatory to a final test on this 2,135 foot hole, which is set on a 15-foot oil sand.

Murphy Will Absorb Group of 3 Claims

Murphy Gold Mine shareholders meet next Monday to consider the acquisition of the adjoining Margaratt claims, about 120 acres, adjoining on the south and west and believed to carry the extension of the Ritchie vein which cuts across the corner of the present Murphy group and into the Margaratt.

In diamond drilling at 400 feet, the Ritchie Co., to the east, cut ten feet of $14 ore at a depth of 400 feet.

There is a great deal of activity in this section of Kirkland Lake camp which lies some distance east of the Bidgood operation.

A large break 20 feet wide which is porphyry, and showing plenty of free gold, runs across the Murphy ground onto the Margaratt.

WORK INCREASES IN TASHOTA AREA

Three Ventures Are Now Going and Many Examinations Are Being Made

By Staff Editor

HAILEYBURY.—Considerable work is being carried out in the Tashota Area, District of Patricia, this summer. A Niagara syndicate is working on the Adair property two miles south of the station, and Tashota Gold Mines 12 miles south, and Fort Hope Gold Mines, 100 miles to the north, are the principal ventures. There are a number of prospecting parties in the district, and it is reported that two of the N.A.M.E. prospectors have made a good looking find at Ribb Lake, north of Tashota.

Several consulting mining engineers have been sent in to examine properties in this locality, among others J. W. Morrison and Percy Hopkins. Mr. Morrison examined the Fort Hope Gold Mines, and Mr. Hopkins the Kipper property in the Nipigon Forest Reserve. Gold was found there before the war, and caused quite a boom at the time. The property has laid idle for some time, however, as owing to the fact it is located in a forest reserve no assessment work was required to hold the claims.

The geology of the Tashota District is said to be favorable for ore deposition, being similar to the Kirkland Lake belt, and consisting of Keewatins in association with sediments and porphyry intrusions.

HUNTING EXTENSION OF WELLINGTON ORE

New Company Has Acquired Additional Ground in Whitewater Area

NELSON, B.C.—Driving of the tunnel to give new depth on the vein, at a point intermediate between the recently finished Matheson tunnel, and the Hazel tunnel of an earlier period, will be under way with machine drills by mid-September, according to Supt. W. G. Harris, of Wellington Mines. Meanwhile new camps have been constructed.

Mine work to date has been opening up on surface the vein in Matheson ground acquired a year or two ago, believed to be an extension of Whitewater vein, the work being directed to getting indications of where the intersection of the vein with certain lime beds outcropping should be found, the expectation being that large ore bodies, such as the adjacent Whitewater mine has, are located there.

Work on Wellington vein will be westerly of the old workings, several thousand feet in extent, from which $100,000 worth of ore was taken in the early days. The original Wellington ore was fully stoped out, the last shipment of which the present company has found a record having been made in 1897. A crew will be put on the Wellington vein this fall after the Matheson work is well in hand.

R. H. (Pat) Stewart, M.E., president of Wellington Mines, is at present in Texas, in connection with the Texas Gulf Sulphur property, of which he is consulting engineer.

BRINGING DOWN YOUR AVERAGE

Where stocks in sound mining companies are held which cost the investor higher prices than now prevail, it is good business to bring down your average by buying more shares.

Our sales department will gladly assist you in strengthening your position for the rapidly approaching fall and winter activity.

Don't miss our August fifteenth market letter—send your name and address without delay.

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FORT HOPE MINE INTERCEPTS VEIN ON 100-FT. LEVEL

In Promising Quartz No Assays Available But Pans Gold

By Staff Editor

HAILEYBURY. — Fort Hope Mines, located on the Albany River, district of Patricia, has intercepted the vein 35 feet from the shaft on the 100 foot level. The width has not yet been determined, but the first round into the vein shows promising looking quartz which pans gold.

There is no assay plant on the property, so that values will not be obtainable until samples have been sent out for this purpose. Drifting is proceeding in both directions.

Colin Ferguson and his crew of 27 men have been working under difficulties on this far-North prospect. Water coming into the shaft at a depth of 118 feet was responsible for abandoning for the time being the 125 foot objective where a station was to have been cut, and cutting a station and establishing a level at the 100 foot horizon instead. Following this hold-up, work had again to be temporarily abandoned, the men turning out to fight bush fires. Rains came to the rescue and quenched these, and latest word from the property is that work is now proceeding satisfactorily.

Considerable interest is centred on the Fort Hope Mines in view of the fact that it is perhaps the most northern mining operation to date in Ontario. A complete mining plant was shipped from Haileybury last winter to Tashota Station on the Canadian National, and hauled 100 miles north over the snow to the property.

The plant consisted of two 50 h.p. boilers, a three-drill compressor, and an 8 by 10 hoist. It arrived at the mine about the middle of April. By June the necessary buildings to house it were completed, the plant assembled, and camps to accommodate 30 men constructed. Shaft-sinking by power was then started, a depth of 25 feet having already been reached by hand steel.

Fort Hope's equipment will permit sinking to a depth of 300 feet, and the carrying out of sufficient lateral work to prove up the property to that depth.

AMULET MAKING PLANS FOR LARGE SCALE OPERATION

Large Hoist Ordered — Will Drill Deep Hole New Shaft

From Our Own Correspondent

Rouyn-Amulet is making plans for a large scale mining operation. A new hoist has been ordered and will be installed within 3 months. It will have a capacity of 8,000 pounds and capable of hoisting from a depth of 3,000 feet. It will be double drum, single reduction type, with double helical gears and band, friction and post brakes. For use on the Amulet, however, where it is not anticipated that any great depths will be reached, the hoist will be geared to deal with a maximum depth of 600 feet.

Two diamond drills continue to work on the Amulet, one on the north showing and the other between that and the shaft. Before the end of the week, it is anticipated, a third drill, the one now working on Area, will be put to work on a hole which was drilled to a depth of 600 feet last year, the intention being to continue this hole to 1,500 feet. Lateral work continues underground on the 150 foot level and, when a station has been cut, one of the drills will be moved underground to continue the blocking out of orebody "C."

BIDGOOD TREASURY HAS $125,000 CASH

Funds Are Sufficient to Carry on Ten Months' Development—New Fund Made

Bidgood Gold Mines has $125,000 cash in its treasury, sufficient to care for 10 months operation at the present rate. At the annual meeting the company had $150,000 and in addition 195,000 shares of Cambro-Kirkland which adjoins Bidgood in the West.

Bidgood will hardly face a reorganization. A year from now, funds may be needed for a mill says Secretary W. B. McPherson, and this would mean a slight increase in capital of which shareholders would get the benefit.

Bidgood is carrying on a careful development operation and is doing considerable surface work. Recent strength in the shares was undoubtedly due to the discovery of a new vein in surface, half way to the east boundary and which shows face gold and tellurides. One assay of ore with no gold showing, gave $700 values.

Bidgood operation is looking better to-day than at any time in the history.

Hudson's Bay Wants Tenders on Drilling 100 Wells in Alberta

As an evidence of the growing intensity of the hunt for oil in Alberta is the appearance of an advertisement in a Winnipeg paper in which the Hudson's Bay Co. asks for tenders on drilling 100 wells in Vermilion District, Alberta.

"SMELTERS" DRILL LOCATES COPPER ON GEORGE GROUP

Core Said to Reveal 137-ft. Body of 1 to 5% Ore

From Our Vancouver Correspondent

Vancouver, B.C.—Diamond drilling on George Copper by Consolidated Mining and Smelting operators cut 137 feet of ore, and reports are that copper values indicated are from one to five. If this is confirmed the possibility of Consolidated taking up the option is very good. At the present time with a capitalization of $1,500,000 in $1 shares George Copper has optioned 1,395,000 to "Smelters." This constitutes a 93 per cent. interest, only 105,000 shares of the entire capital being held by the public. Unofficial estimates of proven ore reserves on the property range from $10,000,000 to $20,000,000 in copper and gold.

The new strike on the property has had a rather startling effect on the local markets running the stock up from $4.50 to $6.

On Mayou Gold Copper two miles south of George Copper, William Tompkins, managing director, says open cuts have opened up two silver leads and one copper lead. Values of the latter are said to run as high as $100, while the silver ore assays are as high as 500 ozs. and 69 per cent. lead. The main silver leads contain 18 inches of almost solid galena and is easily opened up. The president of the company is Clay Porter of the Porter Idaho.

Argentine group and Ruby Silver mines have consolidated making a group of 1,000 acres according to one of the directors, A. W. Le Seour. Present capitalization of Ruby Silver is $350,000, and at the next annual general meeting it will be increased to $1,000,000. William Tompkins, et al, who are Argentine vendors say there are thirteen showings at present being explored.

ABANA PLACES INDICATED ORE AT $30,000,000

Report Says Two-Thirds of This Added Since March

Diamond drilling to tap the 1,000-ft. horizon of Abana mines provided a surprise when an entirely new ore body was encountered. The drill was seeking No. 1 body which previously had been cut at 600 ft. No. 2 body was also cut at this horizon.

When the drills picked up No. 1 body at 600 ft. horizon, the core gave $28 values. No. 2 body was cut some 100-ft. east of the diabase dyke and it is reported that values run $15.

Drifting on this body where cut in lateral work on the upper level has prosecuted 275-ft. with crosscuts each 100 ft. No. 1 crosscut showed 33 ft. of ore running $13.17 made up of $10 in zinc and $3.17 precious metals. No 2 crosscut, 200 ft. east of the dyke showed 30 ft. of massive sphalerite which will average 35 per cent. zinc and appears to be the richest so far encountered. The remaining 20 ft. is massive chalcopyrite. This 50 ft. of ore is the widest and richest encountered in the mine.

Diamond drilling to intersect No. 1 ore body is being done west of the dyke and the new ore shoot lying parallel and about 100 ft. northeast of No. 1 shows a 50-ft. width.

A progress report says there is now indicated, with the present development, considerably over $30,000,000 in ore reserves of which over $20,000,000 have been added since last March. It is said that there is every indication of these reserves being substantially increased by work east of the dyke.

The report says the new power plant is being rushed and it may be that plans for the concentrator may be changed to provide for a 1,000 ton unit.

JULIAN FACES DIFFICULTIES

C. C. Julian's Monte Cristo mine operation in Arizona is in the courts. Minority shareholders seek a receivership. Recently Julian launched a drive in Vancouver to sell new Monte Cristo bonds, which was stated to control the Arizona company.

Cannot See Signs of a Wild Market

Homer L. Gibson, stock broker, in his market review, says he cannot believe that 1928 will witness a recurrence of the widespread advances scored last fall, unless market sentiment undergoes an unexpected change, and that very shortly.

He adds, however, that he does look for improvement in general market conditions within the next three months; and for good profits to be made before the end of the year. But these profits will go to discriminating stock buyers, buyers who base their commitments on mine values and watch developments closely. It will not be the type of market in which "you can close your eyes and make money."

Calumet and Arizona Operating at Dalby

HAILEYBURY. — The Calumet and Arizona Mining Co. has optioned a group of 27 claims midway between Kirkland Lake and Rouyn, three miles north of Dalby Station on the Nipissing Central Railway.

A road has been run into the property from Dalby, camps constructed, and a crew of 20 men are now engaged in an intensive programme of stripping and test pitting.

The work is being carried out on two mineralized belts approximately 1,000 feet long and 200 feet wide, lying a mile apart. Encouraging values in zinc, copper and gold are reported to have been secured in well fractured rhyolite and basalt.

Should the property prove up, it is understood the big Michigan operator is prepared to fully develop the claims. As this company ranks among the big American copper companies, its entry into the field will mean much to this locality.

Financial Post Readers Have Been Kept Well Informed on "Nickel"

Details of Frood Mine and Picture of Possibilities Published Well Before Big Advance in Price of Issue

PROFIT POSSIBILITIES LARGE

One Group of Investors That Speculated in Market on Post Information Have Done Well in Small Way — Figure in Stock Split

Readers of The Financial Post who took advantage of the information published in this paper in regard the developments of International Nickel profited in a substantial way.

For the past 18 months The Post has published articles almost weekly on the developments of this operation, and was the first paper to give details pointing to the magnitude of the Frood ore body and its possible profits.

It was rather ironical to see New York bid this stock up above 103 during the past week, because when Canadian buying was the heavier in the summer and fall of last year, New York was handing out the stock in bundles. In doing so, New Yorkers were looking at the stock from an earnings standpoint, and on this basis, the stock was a sell. They were sure they would buy it back cheaper from the foolish Canadians.

There were some foolish Canadians who passed up the first hand information available right on their own door step and sought advice from New York.

They still rue the day. Not only did they sell, but in more than one instance, they joined New York on the short side. They paid handsomely.

New York was decidedly slow in sizing up the Frood situation and changing its market position. This benefited Canadian buyers, as, when they were in buying, New York was selling, otherwise they would never have got the stock at the prices they did. There are many who think New York is still short a substantial block of the stock. Perhaps that explains the buying furore in New York when the increased dividend to $3 per share and new stock rights were announced.

Nickel has developed to be one of the most popular trading stocks on the Canadian exchanges, and not only have Canadians made money in buying when the information on developments first came out, but many have profited in playing the stock on fluctuations.

One organization of amateur investors, called the Alley Syndicate, made considerable money out of "nickel," and its experience in taking advantage of information published in The Financial Post suggests that others have also profited in a substantial way. Letters of inquiry also indicate this.

Alley Syndicate first entered the market at 58½ and has been in continuously. The first purchase was 50 shares, which some members of the organization, it is explained later, thought was too heavy a commitment and 20 were sold. This group has never been out of Nickel, but in buying and selling in a small way has been well rewarded. The transactions in order are as follows:

Buy	Sell	
50	..	58½
..	20	59
..	10	64
..	10	75
10	..	85
5	..	81
..	15	94
20	..	86
..	20	98
10	..	91
..	10	102

Have orders in to buy below 100. Still hold 10 shares of original purchase. Figures show that total purchases amounted to $6,860 and total sales $6,960, leaving a cash profit of $100 and 10 shares of stock, which at 103 is $1,030 plus the $100 or $1,130.

Stock Rights and Dividend Jump for Nickel Holders

Directors Decide to Raise $12,000,000 by Issue of Common at $60 Per Share—Leaves 123,628 Shares Still in Treasury

For every 10 shares of common stock held, shareholders of International Nickel may take up 1 share of new at $60.

For every five shares of preferred held shareholders can take up one common at $60.

At present market prices common rights are worth $3.50 per share; peferred rights $14 per share.

Common stock is now on a $3 dividend basis, the first distribution on the new basis being on Sept. 29 to shareholders of record Sept. 10.

In taking the above action "Nickel" directors have done the expected. The share allotment means that common shareholders will take down 167,338 shares and preferred shareholders 35,650, netting the treasury $12,179,280 which will give Nickel better than $30,000,000 working capital, about $14,000,000 of which will finance the new developments on the Frood mine and the new smelter and power needs. This will give Nickel on outstanding total of 1,876,372 common shares, $25 par and leave 123,628 in the treasury.

Shareholders of record Aug. 30, will have the right to take up the new shares. The right will expire Sept. 30. Fractional shares will not be considered. Shares can be paid for outright at $60 or in three $20 instalments, $20 with application, $20 by Dec. 28, 1928, and $20 March 29, 1929. The official statement of the company following the directors decision was as follows:

"Anticipating a growing demand for nickel products, your management in 1923 decided to supplement Creighton ore output by opening its Frood properties, which have been held in reserve for many years. A careful engineering survey indicated that development of this large deposit so as to provide adequately for future nickel requirements called for a seven-year program and an expenditure of approximately $18,000,000. This program comprises hydro-electric equipment, concentrators, additions to smelting plant and installation of electrolytic process at Port Colborne, in addition to shaft sinking, underground development and an extensive surface plant at the Frood mine.

"Preliminary work was started in 1924 and during the past four years approximately $4,000,000 has been expended on this project and the remaining $14,000,000 will be required prior to 1931.

"Directors, believing it to be unfair to stockholders to withhold earnings for the purpose of financing extraordinary capital expenditures, at a special meeting voted to offer to common stockholders the right to purchase, at $60 a share, one share of common stock for each ten shares of their holdings of common stock and, in accordance with the company's charter, to offer the preferred stockholders the corresponding rights to purchase at $60 a share, one share of common stock for each 2½ shares of their holdings of preferred.

"This offering of common stock will place approximately $12,000,000 in the treasury, which, together with the present cash reserve, assures the completion of the projected construction and still leaves the company in its customary strong financial position. This entire offering has been underwritten by Hayden, Stone & Co.

"Coincident with financing its capital expenditures, directors considered the matter of dividends on the common shares and in view of the increased earning power shown during the last eight months and prospects of a continuation of good business in the world's nickel industry, voted to increase the present dividend rate of $2 a year to $3 a year."

Area Stops Drill Got Poor Cores

From Our Own Correspondent

ROUYN. — Diamond drilling on Area, where 1,500 feet of drilling has been done on Radiore conductors, is being suspended and the drill moved to Amulet. Results in the first two holes, which were each about 400 feet long were disappointing, only small amounts of sulphides having been picked up. No. 3 hole, which is that on which the present work is being done, will be continued to 700 feet.

Promising Find Reported

HAILEYBURY. — Word has come down from the North that two of the N.A.M.E. prospectors have made a promising find at Ribb Lake, north of Tashota, on the Transcontinental Railway.

NORANDA STOPES ORE TO SURFACE NEAR OLD SHAFT

Location of New Shaft Will be Delayed for Diamond Drilling

PRESENT ONE IN ORE

New Working Shaft Useless in Mining Deep Levels — Earnings Outlook

From Our Own Correspondent

ROUYN.—Stopes from which ore is being taken on upper levels at Noranda have broken surface in the vicinity of the high grade dump and the old No. 1 shaft and men are engaged in breaking in the ore around the rims of the cuts.

The site of Noranda's new main shaft will not be decided upon until a great deal of diamond drilling has been done in order to avoid a repetition of conditions which exist in the present shaft, which it will not be possible to use for taking out the ore in the lower levels owing to its being in high grade ore.

Similarly, it is yet too early to do more than guess at the probable ultimate capacity of the smelter, an official of Noranda told us, since development may yet show up conditions which are at present unknown. A third converter will, however, shortly be added to the plant.

Waite Grade Down

Shipments from the Waite-Ackerman Montgomery continue to come through regularly, the grade of the ore being, it is understood, not so high as it was anticipated, averaging from four to five per cent. copper. The grade will, however, grow better as time goes on and the main body of ore is reached.

NORANDA, QUE. — Noranda is making new production records. July resulted in an average of 800 tons of ore daily going through the smelter. August is bringing further increase. Smelting of over 900 tons daily is now common and with 998 tons having been put through on a record day. The increase taking place is systematic. September will bring still further increase, and with this continuing month by month until the end of the current year we are able to announce an official expectation that by Christmas of the current year the smelter will be handling close to 1,500 tons of ore every 24 hours. The only possible thing to prevent such an achievement will be limitations of the shaft.

Values Run High

Details suggest recovery of around $22 per ton, indicating average grade of over $24 ore, exclusive of the fluxing material.

Operating at 1,000 tons daily, recovering $22 per ton the operation attains a basis of $8,000,000 gross annually. Profits of $12 per ton would show a rate of $4,380,000 annually.

Applying this same calculation to a rate of 1,500 tons daily, which officials expect to reach at the end of the current year, and Noranda will start the new year at a rate of $1,000,000 gross monthly, and with net profits on a basis of $6,570,000 a year.

So far shipments from the Waite-Ackerman-Montgomery in the form of high-grade have been small, an aggregate of about 500 or 600 tons having so far been delivered. With completion of a raise now being put through, however, this tonnage from the Waite will increase. Deep diamond drilling is being done on Noranda. A machine working on the 975 foot is drawing core at present from about 1,350 feet in depth.

Manitoba Basin Will Operate Nutt. Group

Manitoba Basin Mines directors have decided not to proceed with the organization of a subsidiary to operate the Jack Nutt property at Herb Lake, Northern Manitoba.

The parent company will continue as the operator and is meeting with considerable encouragement. It is understood that at least two large mining groups are seeking an interest in this operation.

Huronian Belt Options Large Manitoba Group

Huronian Belt Co. has taken an option on 25 claims at Wintering Lake, Northern Manitoba. There are a number of islands in the lake and high grade ore is said to have been encountered on some of these. The property is in from mileage 185 Hudson Bay Railway.

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UNLISTED MINING STOCKS

BOUGHT—SOLD—QUOTED

The following prices are subject to confirmation:

	Bid	Asked
Astoria Rouyn	.07	.09
Callinan Flin Flon ..	.55	.65
Creighton Fairbanks .	.60	.70
Harker Gold	.18	.22
Marshay Zinc Units..	19.00	23.00
Pandora Units	40.00	50.00
Rouyn Gold Pan	.34	.38
Wood Kirkland	.15	.20
Brownlee	.13	.16
Patterson Copper	.27	.33
Red Lake Centre	.12	.16
Telluride	..	.37

Other Stocks quoted on application

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BUFFALO-ROUYN WILL SINK SHAFT

From Our Own Correspondent

ROUYN.—Buffalo Rouyn has ordered a mining plant and will proceed to open up the property underground to develop ore indicated by diamond drilling.

A start has been made on the shaft, and it will be well under way when the plant arrives. The location is on what is called the central showing, which is of copper, three veins running parallel in a zone of mineralized andesitic lava. Diamond drilling gave values up to $20 in copper over three foot sections. It is intended to sink to 150 feet as a preliminary measure. Later it is intended to sink shafts on the gold vein in the northern part of the group and also, it is possible, on a body of iron sulphides 45 to 50 feet wide, which was found to exist slightly north east of the copper showing.

CROWN RESERVE COMMERCIAL ORE ON 2 NEW LEVELS

Expectation is That It Will Improve as Progress is Made

OUTLOOK GOOD

Pres. Erenhous Says Situation Never Better in History of Operation

By Staff Editor

HAILEYBURY. — Developments at Crown Reserve Consolidated, Larder Lake, are entering an interesting stage. Cross-cuts extended from the shaft on the 6th and 7th levels to cut a mineralized break, intercepted on the upper levels, have both struck commercial ore. Indications are that further improvement will be met with at depth.

The break on the upper levels was well mineralized but carried no values. It was intercepted on the 5th level and was found to have a width of 64 feet. Values were obtained, but only over a narrow width.

The break was again intercepted on the 6th level, 350 feet from the shaft. Here it was found to have a width of 40 feet. Values were spotty, running from 40 cents to $8.40 to the ton.

On the 7th level the break was encountered 400 feet from the shaft. The cross-cut had been driven into the ore a distance of 15 feet, and was still in ore when the property was visited by The Financial Post. Assays of the first five feet gave commercial values. The remaining 10 feet had been sampled, but assays had not been completed. Indications are that a further improvement in values will be had on this level, and that the vein will widen out as it is followed down.

Drifting is now being carried out on the 5th level, and will also be done on the 6th and 7th levels as soon as the cross-cuts have delimited the width of the vein.

Discover New Vein

Another interesting development at Crown Reserve has been the cutting of a new, and previously unknown vein, by diamond drills operating from the 6th level at the southern end of the property. The vein was cut at a vertical depth of 1,200 feet. The core shows 28 feet of vein material. The new discovery is to be opened up by advancing an old cross-cut.

Crown Reserve is concentrating all its efforts in exploration work at the present time. N. J. Evered, the mine manager, has four machines working, extending the cross-cuts on the lower levels. On the 8th and 9th levels the cross-cuts have been extended over 300 feet from the shaft, and an objective of 1,200 feet a month has been set.

Air to operate the drills is being obtained from the Associated Goldfields hydro plant, which is built right on the Crown Reserve boundary. Crown Reserve's oil burning engines are held in reserve. Associated itself has been closed down for some months, having been placed in bankruptcy.

At the present rate of progress it is anticipated that all the Crown Reserve cross-cuts will have reached their objective by the end of September, rather than November, which had first been set as the probable date.

Programme Well Financed

The present programme was begun last winter, and has included the re-conditioning and enlargement of the plant, 600 feet of sinking, and over 1,200 feet of lateral work. About $90,000 has been spent. Cash and commitments assumed by President Leo Erenhous and associates, have provided the company with $400,000 in cash, this has meant the complete issue of the capital stock but has provided a sum sufficient to prove up the property.

Your representative accompanied President Erenhous and W. B. Airth, E.M., of Malrobic Mines in a recent inspection of the property, flying in from Amos in one of the General Airway Co.'s planes. The flight being accomplished in about 45 minutes, as compared to the two day train journey.

Manager Evered conducted the party over the different workings, and at the conclusion of the inspection, President Erenhous expressed himself as much pleased with the recent developments.

At no stage in its history, he said, has Crown Reserve afforded as much encouragement as at the present time.

CUT McINTYRE WITH CROSSCUT AT DEEP LEVEL

With Use of Diamond Drills Much Information Will be Secured Later

From Our Own Correspondent

TIMMINS.—McIntyre is undertaking an effort now that should soon give an indication of the possibilities of the property at depth. It will run a north-south crosscut from boundary to boundary on the 3,875-ft. horizon in vicinity of the new shaft.

There is a feeling around Timmins that the McIntyre veins are not opening out as satisfactorily at depth as expected, and it is believed that this crosscut will give a great deal of information. In addition to providing information concerning the ore conditions below the old workings, McIntyre will obtain knowledge of the Schumacher portion of its property adjoining that section of Hollinger quicker than the latter company, which is now sinking as rapidly as possible to open up the Schumacher at 4,000 feet. This work is under the porphyry. Results obtained at and a short distance above and below the 2,000-foot level of the Schumacher, coupled with ore development on the McIntyre on upper horizons from the No. 11 shaft makes it of the utmost importance. After drifting about 400 feet to the northeast in rich ore at the 3,875-foot level the management of McIntyre has decided to crosscut in a direct line to the corner of the Coniaurum. In addition to the direct crosscutting it is planned to crosscut the vein zones at 300-foot intervals. Drifts will be run out in any ore intersections encountered in this work, but the latter development will await the completion of the exploratory campaign. Later, more intensive drilling will be done at 100-foot intervals from the crosscuts. In this manner the whole area at the new low horizon will be mapped for development. The system is a general change for the McIntyre, although it has been used advantageously at the Hollinger. Crosscutting in the two main drives, where extra heavy rails are being laid and a main haulage way is being established, is progressing at the rate of over 700 feet a month. With the completion of the main drives an abundance of interesting information should quickly be available to the McIntyre management.

Stadacona Now Sinking Near Pelletier Lake

ROUYN.—A plant has been ordered by Stadacona Rouyn, for Block 2, adjacent to Pelletier Lake, where shaft sinking by hand has been going on for some time, the shaft being now at a depth of some 40-45 feet, and which is being sunk in a mineralized area where diamond drilling picked up a vein of high grade copper sulphides carrying gold to the value of $8 to the ton over 10 to 12-inches sections. It is intended to sink to a depth of 125 feet and to crosscut to the vein, 200 feet away under the lake.

MINING STOCK QUOTATIONS

Week Ending Aug. 21

	Par Val	Div. Rate	Yield	High for wk.	Low for wk.	Close Aug. 21	Sales for wk.	Range 1927 High	Range 1927 Low	Range 1928 High	Range 1928 Low
Abana.....	1	....	....	3.35	3.20	3.25	51688	4.90	.20	3.95	1.75
Aconda....	1	....	....	.20½	.17	.18	96800	.45	.14½	.47	.15
Afton......	1	....	....	....	....	....	....	1.36	1.00	2.12½	1.25
Albain M...	1	....	....	.80	.80	.80	100	....	....	.95	.20
Algonquin..	1	....	....	.02	.01½	.02	24500	.05½	.02	.03	.01
Amity C....	1	....	....	.49	.41	.45¾	137120	.50	.24½	.55½	.24
Amulet....	1	....	....	4.15	3.64	3.88	119283	7.10	.85	5.45	3.00
Apex......	1	....	....	.04½	.04½	.04½	3700	.10	.01	.09	.03
Area.......	1	....	....	.29¼	.21	.22	52800	1.98	.23	.48	.14
Argo. Con.	1	....	....	.04½	.03½	.04¼	60000	.59	.25	.34	.03
Arno.......	1	....	....	.22½	.20	.22¼	29550	....	....	.39½	.15
Atlas......	1	....	....	.02	.01½	.02	4500	.07	.02	.04¾	.01¼
Ankerite...	1	....	....	.25	.25	.25	500	1.25	1.15	1.23	.25
Bayview...	25c.	....	....	.07¼	.07¼	.07¼	5700	....	....	.09¼	.06¼
Bagamac...	1	....	....	.11	.11	.11	2100	.19	.06	.17	.05
Baldwin....	1	....	....	.01¾	.01⅜	.01¾	3500	.05½	.01	.03½	.01¼
Barry Holl.	1	....	....	.38	.36	.37¼	58650	1.50	.25	1.50	.34
Bathurst. ..	None	....	....	.24	.20	.21½	20550	....	....	.35	.18
Beaver.....	1	....	....	.87	.77	.77	14400	2.75	.59½	2.25	.77
Bedford....	1	....	....	.40	.37	.37	9000	.53	.19	.54	.32
Bellellen L..	1	....	....	....	....	....	....	.23½	.03	.03½	.02
Bidgood....	1	....	....	.67	.51	.67	183350	1.83	.05	1.60	.51
Big Horn...	.	....	....	....	....	....	....	....	....	.44	.25
Big Missouri	1	....	....	.47½	.43	.44	83150	....	....	.90	.40
Boischatel..	None	....	....	.02	.01½	.01¾	12500	.27	.03	.05	.01½
B.C. Devel.		....	....	....	....	....	....	....	....	2.00	1.32
Bower M...	1	....	....	....	....	....	....	....	....	1.25	.75
Buckingham	1	....	....	.07	.06	.07	70850	.09½	.03	.08⅛	.04½
Bunker Hill	None	....	....	.12	.07¾	.08	25550	....	....	.35	.07¾
B. C. Silver	.	....	....	1.55	1.55	1.55	100	....	....	1.55	1.55
Cambro....	1	....	....	.35	.30	.34	9500	.58	.55	.55	.29
Can. Lorraine	1	....	....	....	....	....	....	.12	.10	.21	.08½
Capitol S...	1	....	....	.09½	.09	.09	3600	.34	.14	.18½	.09
Capitol R..	1	....	....	.10½	.09	.10¼	56800	.54½	.10	.18	.09
Cartier Mal.	1	....	....	....	....	....	....	....	....	....	....
Castle Tre..	1	....	....	.48	.40	.44½	17300	1.27	.61	.81½	.40
Cen. Man..	1	....	....	.92	.85	.91	23700	2.30	1.70	1.95	.82
Chaput H..	1	....	....	.13	.12	.12¼	6600	.20	.04⅞	.18	.08⅛
Clericy.....	None	....	....	.15¼	.08	.15	64500	.31½	.31	.36	.07
Clifton.....	1	....	....	....	....	....	....	.03½	.00½	.02	.00½
Coast Copper	5	....	....	.34½	.33	.34	355	43.25	9.75	60.00	28.00
Col. Kirk...	1	....	....	.03	.02½	.02½	5000	.16	.01½	.09½	.02
Cons. Copper	.	....	....	....	....	....	....	....	....	.14½	.10
Coniagas...	5	....	....	....	....	....	....	5.05	3.20	5.50	4.10
Coniaurum.	5	....	....	3.15	3.01	3.10	2050	5.78	2.80	5.50	3.00
Cons. Smelter	25	10+40	5.12	245	239	244	264	274½	215	289½	239
Copper Hill	1	....	....	....	....	....	....	....	....	....	....
Cork Prov..	25c.	....	....	.30	.29	.29½	20500	....	....	.47	.25
Corona.....	1	....	....	.04	.03¼	.03¼	33650	.37	.10	.16	.03
Crown Res.	1	....	....	.44½	.40	.40	38637	.80	.39	.70	.34
Davidson ..	1	....	....	.00½	.00½	.00½	3500	.08	.01	.03	.00½
Dunkin.....	1	....	....	.35	.30	.35	6900	....	....	.55	.30
Destor.....	1	....	....	....	....	....	....	.43	.20	.28	.20
Dome Mines	None	$1	12.50	8.00	7.65	7.80	1015	14.60	6.85	13.35	7.65
Dom. Kirk.	1	....	....	.01½	.01¼	.01¼	5000	12.½	.01½	.06½	.01
Don. Rouyn	1	....	....	.25	.21	.22	23710	.56½	.17½	.30	.10
Dubec......	1	....	....	....	....	....	....	1.48	.35	.72	.40
Duprat.....	1	....	....	.04	.03½	.03½	10900	.21	.19¾	.12½	.03
Dupuy.....	1	....	....	....	....	....	....	.79½	.09	.10¼	.10
Dunwell ...	1	....	....	....	....	....	....	....	....	.35	.20
Duthie.....	1	....	....	....	....	....	....	....	....	1.40	1.00
Everett....	1	....	....	.01½	.01¼	.01½	2000	.05½	.01¾	.03	.01
Federal Kirk	1	....	....	.40	.35	.35	5100	.78	.40	.77	.35
Fiske......	1	....	....	....	....	....	....	....	....	.10	.03
George Cop.	1	....	....	6.75	5.16	5.75	5230	....	....	6.75	2.50
Golconda...	1	....	....	1.12	1.09	1.11	43025	....	....	1.13	.69
Goldale....	1	....	....	.26	.25	.26	5500	.57½	.20	.44	.22½
Gold Hill...	1	....	....	.12	.09	.10½	66844	.54	.22	.38½	.07
Gold Reef..	1	....	....	.01½	.01	.01½	4500	.02½	.01½	.03	.01
Goodfish...	1	....	....	.47½	.44	.46	29300	....	....	.78	.41½
Graham....	1	....	....	.26	.20	.21	24500	....	....	.40	.18
Grandview.	50c.	....	....	.40	.38	.38	49450	....	....	.87	.30
Granada....	1	....	....	.22	.20	.21½	57850	.41	.14½	.35½	.17
Grover Daley	1	....	....	.09	.08¼	.08¾	12400	.37	.08	.15	.07
Harker.....	1	....	....	....	....	....	....	....	....	.43	.41
Harvie Exp.	None	....	....	.01½	.01	.01½	5000	2.40	.50	.85	.01
Hecla......	1	....	....	....	....	....	....	....	....	1.30	.95
Hillcrest, c.	100	6.00	9.23	....	....	....	....	65.00	50.00	68.00	65.00
Hillcrest, p.	100	7.00	7.77	....	....	....	....	90.00	81.50	90.00	85.00
Hilltop.....	1	....	....	.08	.07	.08	17800	.25	.06½	.23½	.07
Hollinger...	5	26.00	14.05	11.00	10.00	10.00	15617	22.65	16.40	18.10	8.50
Howey Gold	1	....	....	1.00	.97	.99	64795	1.78	.42	1.01	.61
Hudson. ...	None	....	....	17.85	17.25	17.60	8055	....	....	23.25	16.40
Indian.....	1	....	....	....	....	....	....	.12	.04	.15	.04½
Int. Nickel.	25	$3	3.01	103⅛	96½	101.00	77469	90.25	38.00	103¼	73¾
do Rights	.	....	....	.04	.03⅜	.03¼	1969	....	....	.04	.03⅜
Jackson M..	1	....	....	1.00	.92	.95	150020	.86	.36	1.02	.65
Keeley.....	1	8	16.00	.50	.42	.50	200	1.66	.69	.85	.42
Keora M...	1	....	....	.01¼	.01½	.01¼	2500	13½	.02	.05	.01
Kirk. Hunt.	1	....	....	.08½	.06	.06	60450	.35½	.10	.26	.06
Kirk. Lake.	1	....	....	1.50	1.40	1.45	23110	3.06	.82	2.75	1.20
Kirk. Prem.	1	....	....	.13	.12	.12	1500	....	....	.40	.10
Koot. Flor..	20c.	....	....	.25½	.20	.20	328850	.31	.21	.47	.16
L. Kamiskotia	.	....	....	....	....	....	....	....	....	1.10	1.05
La Rose....	1	....	....	....	....	....	....	.12	.03	.08⅞	.03
Lake Shore.	1	80c.	4.00	20.50	20.00	20.25	6715	28.20	15.40	27.70	20.00
Lebel Oro..	1	....	....	.23	.19	.19	5100	.66	.30	.59	.16½
Laval......	1	....	....	.17¼	.15	.17½	109400	.59	.19½	.38	.12¼
Lorrain C..	1	....	....	.01	.01	.01	1000	.03½	.01	.03	.00½
Lorrain T. L.	1	....	....	....	....	....	....	.86	.52	.70	.30
Lucky Jim .	10c.	....	....	.29½	.27½	.29	33850	....	....	.44	.26
McLeod R..	1	....	....	....	....	....	....	....	....	.35¼	.34½
Mandy	1	....	....	2.99	2.60	2.66	86165	....	....	3.50	2.60
Macassa ...	1	....	....	.23½	.21	.22½	12600	.65	.18	.55½	.21
Malartic...	1	....	....	1.39	1.28	1.36	173615	.18	.23	1.80	.70
Marriott...	1	....	....	.06	.04	.04½	3000	.45	.35	.46	.04
McDougall.	1	....	....	.40½	.37	.40½	13900	.90	.24	.74¼	.34
McKinley..	1	....	....	.19	.18¾	.18¾	1600	.25½	.11	.21	.16
McIntyre ..	5	20c.	4.93	20.85	20.00	20.60	9325	29.00	24.00	29.00	20.00
Mentor....	10	....	....	....	....	....	....	14.00	12.00	13.00	12.50
Millcrest...	1	....	....	.03½	.02½	.03	12600	.15	.02	.12	.02½
Mining Corp.	5	8c.	....	3.40	3.06	3.30	10555	5.02	2.90	5.50	3.06
Moneta....	1	....	....	....	....	....	....	.15½	.06¼	.12	.07
Montreal R.	1	....	....	....	....	....	....	.35	.10	.16	.04¼
Mint Ore ..	1	....	....	.36	.33	.36	4800	....	....	.44	.25
Mond Nickel	L1	....	....	....	....	....	....	....	....	46.50	20.00
Moss......	1	....	....	....	....	....	....	....	....	.70	.25
Murphy....	1	....	....	.36	.35	.36	6400	....	....	.49¼	.28
Moffatt Hall	1	....	....	.20	.16½	.19¼	68725	....	....	.35½	.15
Monelk....	.	....	....	....	....	....	....	....	....	....	....
Nat. P.& D.	.	....	....	....	....	....	....	....	....	15.75	1.00
Nat. Silver.	50c.	....	....	....	....	....	....	....	....	.20½	.17½
Newbec....	1	....	....	.30	.24	.26½	172050	1.20	.62½	.66	.23
Night Hawk	1	....	....	.07	.07	.07	5000	.10½	.04½	.10	.05½
Nipissing...	5	6	.08	3.50	3.05	3.35	3955	10.30	3.25	6.20	3.05
Noranda...	None	....	....	57.00	48.00	53.50	170834	25.80	19.95	64.50	17.00
Notre Dame	1	....	....	....	....	....	....	....	....	.67½	.50
Ophir......	1	....	....	....	....	....	....	.04⅛	.00¼	.02	.01
Osisko.....	.	....	....	.60	.57	.59	32900	....	....	.75	.35
Picard.....	1	....	....	.09	.03¼	.03¼	34500	....	....	.77	.03¼
Pawnee Kirk	1	....	....	.21	.19½	.20	30300	.78	.64	.80	.19¼
Pend Ore...	1	....	....	12.50	11.00	11.50	14580	....	....	25.50	8.00
Pend, pref..	.	....	....	....	....	....	....	....	....	1.40	.95
P. L. Cobalt	1	....	....	.27	.24	.26½	36283	18.00	.02	.30	.06
Porc. Crown	1	....	....	.03½	.03½	.03½	1000	.11	.03	.08	.03
Pioneer....	1	....	....	.50	.42½	.49½	32050	1.18	.45	.68	.42½
Potter Doal	None	....	....	.09	.07½	.09	71550	.65	.10½	.22	.06¼
Premier Gold	1	24c.	9.96	2.45	2.35	2.40	9275	2.50	1.83	3.50	2.15
Preston....	1	....	....	.02½	.02½	.02½	7000	.07	.03	.05	.02
Porter Idaho	50c.	....	....	.73	.70	.70	7600	....	....	.88	.48
Ridgedome.	1	....	....	....	....	....	....	....	....	1.25	1.03
Ribago.....	1	....	....	.07	.06	.06	61000	.87	.13	.25	.06
Rouyn G...	1	....	....	....	....	....	....	.04½	.02½	.03½	.01½
Rouyn, Que.	1	....	....	....	....	....	....	.04	.01⅛	.02	.01½
Rubec.....	1	....	....	....	....	....	....	3.65	.80	.80	.07
Realty & M.	None	...	....	....	....	....	....	.38	.15	.54¼	.08
R. Montbray	.	....	....	.15	.14	.14	3500	....	....	.32	.13
Ruth Hope.	1	....	....	.62	.60	.61	17200	....	....	.63	.44
Rouyn Kenn.	1	....	....	....	....	....	....	....	....	1.10	1.10
Rufus Argenta.		....	....	.33	.27	.29	145670	....	....	.37	.14
Simard.....	.	....	....	....	....	....	....	....	....	11.50	8.00
Silversmith.	20c.	....	....	....	....	....	....	....	....	.23	.12
Slocan King	20c.	....	....	....	....	....	....	....	....	.11	.08
Selkirk.....	.	....	....	....	....	....	....	....	....	.03	.02⅞
San Antonio	None	....	....	.40	.38	.38	33670	.57	.30	.57½	.33
Siscoe......	1	....	....	.54	.50	.50	18725	.60	.12	.60	.15
South Keora	1	....	....	....	....	....	....	.64½	.04½	.17¼	.03½
Stadacona..	None	....	....	.14½	.11	.13	75000	.55	.15	.21½	.09
St. Anthony.	1	....	....	.42	.36	.42	7500	.50	.16	.52	.32
Sudbury M.	1	....	....	.06	.04½	.06	2000	....	....	.33½	.03¼
Sylvanite...	1	....	....	.245	2.35	2.43	1860	4.80	2.60	3.90	2.00
Sherritt G..	1	....	....	6.60	6.25	6.35	44446	....	....	8.40	5.60
Sud. Basin .	None	....	....	7.00	6.50	6.90	66750	....	....	12.00	6.20
Sud. Contact	1	....	....	.24½	.17½	.19	21750	....	....	.50	.17
Sunloch....	1	....	....	2.30	2.00	2.25	750	....	....	6.50	2.00
Thom. Cad'c.	1	....	....	.62	.55	.58	20825	....	....	1.06	.45
Topley.....	.	....	....	.60½	.57	.60	18783	....	....	.65	.50
Teck Hughes	1	60c.	6.37	9.45	8.85	9.17	25425	12.00	5.27	11.60	7.85
Telluride...	1	....	....	....	....	....	....	.38	.35	.58	.37½
Tough Oakes	1	....	....	.28	.25	.25	66000	.82	.25	.79	.16
Towagmac .	1	....	....	3.90	3.50	3.60	7475	5.75	2.85	4.75	2.25
Timiskaming	1	....	....	....	....	....	....	.12	.04	.10¼	.05
Treadwell Y.	1	....	....	17.00	15.50	16.25	1245	26.75	18.50	32.00	16.00
Thom. Krist	1	....	....	....	....	....	....	.02	.00½	.01½	.01
United Kirk.	1	....	....	....	....	....	....	....	....	.20	.10
Vaughan. ..	1	....	....	....	....	....	....	....	....	1.70	1.15
Vickers....	1	....	....	.70	.70	.70	600	1.52	.25	1.25	.60
Vipond	1	....	....	.45	.42	.45	27200	1.74	.47	.99	.42
Wakenda...	1	....	....	....	....	....	....	.16	.01	.15½	.05
West D. Lake	1	....	....	.09¼	.09	.09	26225	.20	.08	.17½	.08
Wiltsey C.	1	....	....	.29	.29	.29	900	.74	.50	.55	.38
Wright Har.	None	10c.	2.85	3.65	3.35	3.48	27395	8.45	5.50	6.80	3.00
Windfall R.	None	....	....	.08	.07	.08	29000	.31	.19¼	.25	.07
Whitewater	1	....	....	2.20	2.00	2.13	4000	....	....	2.85	2.00
Woodbine. .	None	....	....	.26	.24½	.25	45350	....	....	.45	.22½
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Acme......	.	....	....	....	....	....	....	....	....	.30	.17
Advance...	1	....	....	.50	.30	.50	3640	....	....	.95	.25
Alta. Pac...	1	....	....	.44	.42	.44	3164	....	....	.81	.30
Black Dia. .	.	....	....	....	....	....	....	....	....	.35	.26
Brit. Dom..	1	....	....	.41	.40	.41	1100	....	....	.75	.25
Calmont Es...	.	....	....	....	....	....	....	....	....	1.00	.72½
Calmont...	1	....	....	.75	.70	.70	270	....	....	2.10	.70
Cal. Pet. P.	.	....	....	....	....	....	....	....	....	5.50	4.25
Cherokee...	.	....	....	....	....	....	....	....	....	.07	.05
Dalhousie. .	None	....	....	2.45	2.20	2.40	5598	....	....	4.25	2.20
Devenish ...	None	....	....	.55	.52	.53	702	....	....	.75	.27
Great West	1	....	....	.12	.12	.12	100	....	....	.34	.19
Ill. Alta....	1	....	....	.48	.46½	.48	2805	....	....	.77½	.45
Madison...	.	....	....	....	....	....	....	....	....	.20	.11½
Mayland ...	.	....	....	....	....	....	....	....	....	1.47½	1.05
McD. S. Ex.	1	....	....	2.00	2.00	2.00	970	....	....	3.00	1.40
McD.S.(new)	1	....	....	1.05	1.05	1.05	1075	....	....	1.80	1.00
McLeod....	1	....	....	4.15	4.10	4.10	2691	....	....	7.10	2.97
Mid West..	1	....	....	.30	.30	.30	200	....	....	.60	.25
Mill City ..	1	....	....	.40	.40	.40	1795	....	....	.55	.27
Moose M'tn	1	....	....	....	....	....	....	....	....	.30	.25
N.W. Pacific	.	....	....	....	....	....	....	....	....	.00	.00
Okalta, c.	None	....	....	....	....	....	....	....	....	.47	.20
Okalta, p...	100	....	....	75.00	79.00	75.00	4	....	....	100.00	70.00
Ranchmen's	1	....	....	.50	.50	.50	200	....	....	.80	.50
Regent.....	.	....	....	....	....	....	....	....	....	.25	.20
Royalite ...	None	....	....	65.00	60.00	64.00	150	....	....	84.00	45.00
Signal Hill .	1	....	....	.13	.12	.12	1665	....	....	.30	.12
Spooner....	1	....	....	1.40	1.25	1.30	4205	....	....	3.10	1.10
Stockmen..	1	....	....	.60	.60	.60	100	....	....	.60	.32
Turner Valley	1	....	....	.40	.40	.40	450	....	....	.70	.30
United.....	1	....	....	.155	1.45	1.55	1033	....	....	2.65	1.10
Vulcan.....	1	....	....	1.85	1.75	1.75	130	....	....	3.00	1.75
Dallas.....	.	....	....	....	....	....	....	....	....	.30	.30

STUDY GEOLOGY OF NEW SECTION OF CENTRAL MAN.

English Brook and Little Rice Sections Being Carefully Gone Over

WINNIPEG.—The Department of Mines and Natural Resources of the Province of Manitoba is conducting exploratory work in the newer mineral areas of the province. A party under Leonard Greer has now completed a preliminary survey of the English Brook area on the east side of Lake Winnipeg, and of its extension northward into the Little Rice River valley; and the party has now gone north into the Ponask Creek and Deer lake country east of Island lake.

In the English Brook area the main geological feature of economic importance is the occurrence of lenses of schist inclusions in the granite which is the prevalent rock in the area. These lenses of schist are well mineralized with sulphides; and at or near the margins of the inclusions shear zones have been developed, infilled with quartz carrying pyrite, chalcopyrite and values in gold. It is in these shear zones that development work is being carried on in the English Brook district.

Some Operations

The most extensive underground work is being done on the Betty property, where on the Betty 6 claim the 250 ft. level has been reached and considerable crosscutting has been done on the 125 and 250 ft. levels. A sheared zone over 900 ft. in length has been exposed by stripping, pitting and trenching.

On the Osler group considerable pitting and trenching has been done over a distance of 2,000 ft. in a hornblende schist which is probably a large inclusion in the granite, in shears in which the mineralization is pyrite, chalcopyrite and some molybdenite. On the Oxford claim, a 600 ft. shear has been trenched, and on the Spot claim a shear has been followed for more than 350 ft. No other development work of importance is being done in this district at the present time.

The indications are that the best conditions exist in the shears which occur at or near the margin of the schist inclusions, particularly where the schist areas are of considerable size, and where the movement can be followed for a considerable distance on the surface.

Near Lake Winnipeg

North of the English Brook area, the valley of the Little Rice river was investigated, in order to explore the possible extension of the mineralized area into Little Rice river. There was found to be a belt of diorite gneiss about 1 mile wide parallel to Lake Winnipeg, beyond which, eastward on the Little Rice river to Rice lake and Cross lake, the country rock is a granite gneiss in which only very small inclusions of schist are found. Some staking has been done in the vicinity of Cross lake and farther down the river. The chances seem better in the diorite belt near Lake Winnipeg, than farther up the river in the granite belt, because of the very limited size and distribution of the schist inclusions in the Cross lake territory.

Preliminary mapping has been completed in this area, and Mr. Greer is now engaged in investigating the Ponask creek-Deer lake area on the route from Norway House to Island lake.

MINING CORP. TO SINK ON MURRAY

Finding of Deep Ore on Noranda to South Improves Chances of Property

ROUYN.—Underground work will soon be started by Mining Corporation on the Murray claim adjoining Noranda on the North. Whether, however, this work will be in the nature of a continuation of the work carried out there by United Verde Extension or an entirely new operation is not yet disclosed.

U.V.X. sank a shaft and carried out about 3,000 feet of drifting and roughly 4,000 feet of diamond drilling both from underground and from surface set-ups, without finding commercial ore. The recent deep-level finds on Noranda, however, have altered the aspect of things considerably and it is thought that the chances of finding ore at depth are favorable, since all previous work has been done at shallow depths. Previous to the taking up of the Murray by the United Verde, some diamond drilling had been done by Victoria Syndicate, without, however, anything of value being found.

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This map, 32 by 22, is divided into five sections and a key map, showing the comparative locations of these areas with proximity to railroads and power lines.

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Good Ore in Second Tunnel on Alexandria

No 2 tunnel on Alexandria Mines property at Phillips Arm, north of Vancouver, has encountered a good grade of ore. No. 1 tunnel has opened up a shoot of ore of substantial length. Alexandria Gold Mines is developing the property.

HOLLY DIVIDEND MAY BE REDUCED TO 65c. A SHARE

This is View of Brokerage House Unless Change Comes Quickly

Cutting Hollinger dividend from $1.30 to 65 cents per share is predicted by Kieley & Smith, brokers, unless a substantial increase in production takes place between now and the end of the year.

The brokerage house has just issued a letter to clients dealing with Hollinger and do not present any too rosy a picture. They see the stock selling to-day substantially above its tangible worth and look to see a material reduction in ore reserves when the next report appears. They express the opinion that Hollinger has long since passed the peak. Their letter follows:

For the first six months of the present year, mill tonnage has averaged 4600 tons per day with mill heads averaging $6.23 per ton and a recovery of $5.99 per ton. Costs are around $3.50 per ton. Continuing at the present rate of production, the current year should show a gross production of around $10,000,000. With net profits approximately $4,750,000 the present dividend requirements call for $6,396,000 so that profits for the year will fall short by $1,643,000 of meeting the dividend requirements. To offset this the income from investments should be around $800,000 leaving a deficit of $840,000 to meet dividends.

The results to date show the company dependent on its outside investments and its surplus to take care of dividends. This would not be a serious item if any improvement was shown in adding to ore reserves. Last year ore reserves were reduced from $66,000,000 to $60,000,000. This year we believe the reduction in the value of ore reserves will be much greater. With $60,000,000 assured and probable ore reserves at the beginning of the year and with this year's production of $10,000,000 and a reduction of another $6,000,000 in ore reserves, the total assets including a $14,000,000 surplus would amount to $58,000,000. Of this amount $44,000,000 would represent ore and the net profit on this would possibly be $25,000,000. Taking the whole of the surplus and adding the profit from the present known and probable ore reserves we have a total of approximately $40,000,000. Taking the present selling price of Hollinger shares at $12.50 places a valuation on the property of $63,000,000. This is greater than the total surplus and value of the probable ore at the end of the present year by approximately $5,000,000 and is greater than the indicated profits from ore, plus present surplus by $24,000,000.

As far as the mine itself goes, we believe that the peak has long since been passed. The future of the company and its effect on the shares depends to a great extent, if not entirely, on what use is made of the surplus. It is intimated that the extensive mining interests owned by Mr. Noah A. Timmins will eventually find their way into the Hollinger hands but what the result of a development such as this might have, we are at a loss to know.

It appears to us that the future of the Hollinger is now quite speculative. If surplus is to be used any length of time for the continuance of dividends at the present rate, then we would consider Hollinger a good short term investment but it is doubtful if a mining organization such as Hollinger would deplete its surplus materially, thereby endangering their chances for increasing their assets simply for the purpose of maintaining a dividend rate that is at present not warranted.

We are of the opinion that unless a substantial increase in production takes place between now and the end of the year, the present dividend rate will, beginning with the New Year be reduced to one-half of the present rate of 65c. per share per annum.

DEMARA OPENS UP ITS GOLDIE CLAIMS IN MALARTIC TWP.

Has Other Holdings in Abana, Sherritt-Gordon and Sudbury Districts

By Staff Editor

AMOS.—Demara Mines is centreing its activities on a group of 23 claims known as the "Goldie" property, which lies a mile and a half to the southeast of the Malartic Gold Mines in Malartic Township. W. B. Airth, E.M., who is in charge of development work, has a crew of 12 men engaged in preliminary surface work. If the results obtained from the present programme merit such a step, diamond drilling will be carried out in the fall.

Demara in addition to its property in Malartic Township owns 900 acres adjoining the Abana to the south and west in Desmeloizes Township; 360 acres near the Sherritt-Gordon holdings in Cold Lake, Manitoba; and a fourth group of claims in Genoa Township, in the Sudbury District.

The company has a capitalization of 3,500,000 shares, of which 1,500,000 are vendor shares, 700,000 shares have been issued, and the remaining shares are treasury stock.

MOST OF WINDFALL GROUPS ARE IDLE

By Staff Editor

AMOS.—Windfall Rouyn has a crew of 12 men engaged in surface exploration on its property in Fournière Township. Operations are being carried out under the direction of Dr. John Gill, head geologist of the University of Rochester, Rochester, N.Y. Work has been in progress a little over a month, and has revealed a zone of silicified mineralized graywacke, with iron sulphides and galena.

Windfall has completed the cutting of lines and other preliminary work on the 600 acre block it has taken up in Malartic Township. This property is adjoined by Grover-Daley and Sladen Malartic. The ground is heavily wooded, and because of the fire hazard, it has been decided to postpone further operations until the fall.

Windfall's Sudbury holdings are bounded on the north by Sudbury Basin Mines and on the south by Sudbury Contact Mines. The latter company is now diamond drilling and carrying out intensive surface exploration, and Windfall has decided to postpone work on its property until this has been concluded. Its own program will then be largely guided by the information secured by Sudbury Contact.

Surface operations on the company's option in Marshay Township, because of the low lying nature of the ground, have been rendered impossible to date by the continual rains. It is probable that work will be postponed on this group until the freeze-up sets in.

Mining Inquiries

Abba

How do you regard Abba Mines as an investment?

Abba Mines is not an investment. It is more in the gamble class. The operation is on a mining prospect that is yet to be proven.

Alexandria Gold

Are Alexandria Gold shares a good speculation? Will one get a fair run in it?

Alexandria Gold Mines is in good hands. Controlling officers are experienced and successful mining men and they have retained capable technical advisers. Company seems to be working into the position of operator and holding company. It has some good looking properties in B.C. and Ontario, and share interest in at least one good looking venture. Shares are regarded as having good speculative chances as a hold.

Cold Lake Mines

Will you give your opinion on Cold Lake Mines?

Cold Lake Mines is a prospect adjoining Sherritt-Gordon property in Northern Manitoba on the west. Diamond drilling, to pick up the extension of the Sherritt ore zone, is proceeding. Some good mining interests are associated with the venture.

Barry-Hollinger

Is Barry-Hollinger a good buy at present prices?

Barry-Hollinger shares are selling about where they should be. However, it is announced that more selective ore is to be sent to the mill and we should judge that this is the first move of an effort to get the shares back up. Barry is always moving up or down and the last move was substantially downward.

Buying 1,000 Sherritt-G.

I am considering buying 1,000 Sherritt-Gordon as a hold, would you advise this?

Our last issue gave some interesting, independent and reliable views on Sherritt-Gordon, the article having been written by Dr. Wright of the Federal Geological Survey. The facts there presented along with those in 1928 Survey of Mines should give you a good picture of the venture. In most circles the shares are regarded as having exceptional merit as a hold.

International Nickel

I hold Nickel which cost 66. Would you sell or hold? Is the cream off the issue now?

The Financial Post has devoted a good deal of space to International Nickel which you say cost you 66 and is now selling above 100. You have a nice profit and indications are that the longer you hold the greater will be your profit. Since you wrote, the new stock issue has been announced along with an increase in the dividend. After 1930 this company's earnings should expand tremendously. See elsewhere in this issue.

Sherritt-Gordon Power

Answering an inquiry recently you mention that Sherritt-Gordon will require power, and in an article in the same issue you say power is assured. What is the exact situation?

Inquiries are answered a week ahead of their publication, hence, as in the instance of Sherritt, it sometimes happens that there is a change in the situation. The article on Sherritt's power deal was written several days after the inquiry and hence both were right. Our information is that the mine is assured of both power and transportation.

Relics of 1914 Boom

I hold United Canadian Oil, Piedmont Pet., Prudential Oil, British Canadian, Stokes Stevens, Beacon, Union Pacific, Big Four, and Metropolitan Oil. Are they any good?

Your list of oil stocks are all relics of the 1914 Calgary oil boom. Better drop a line to one of the reliable Calgary, brokerage houses, advertising in The Financial Post and they will give you the details. We believe all these companies have passed on.

Waite

I have 100 shares of Waite-Montgomery, which I intend to hold 3 or 4 years. Would you advise this?

Waite-Montgomery has just got under production, its initial shipment to Noranda smelter having been made. It will be interesting to watch for the returns on this shipment. What the terms of the company's deal with the smelter are we are not informed. Noranda holds control and the public holders of the shares are sitting in a minority position. They are not worrying about the mine but are wondering how their position will work out with the majority holder in control of all facts. An article in our issue of the 17th will interest you.

Hollinger-McIntyre

Like many holders a long distance from the scene of operations, I am worried about the continued drop in Hollinger, and the talk of a cut in dividend. The management has seemed wanting in candor, and the effects of the fire—the loss of life excepted—seem to have been minimized. Also how about McIntyre, which seems to have been much puffed, which recent returns and results do not seem to justify?

We attach copies of articles on Hollinger. A well informed and reliable brokerage house is going to issue a circular on Hollinger. This may bring out some new angles. If it is worth while we will reproduce this letter in our issue of Aug. 24.

McIntyre seems to be a considerable distance away from higher earnings and consequently higher dividends. The company has not been adding ore reserves in the way one might like, judging from the annual reports. But this may be a studied effort to avoid just this until a great deal of the dead work has been done, and it may be that the company will then blossom forth. Until that takes place there seems little to indicate the great future that many have predicted for the operation. Of course the company must have had a great deal of information to justify them putting down the 4,000-ft. shaft and this is a hopeful sign. On the other hand, Hollinger management must have had information, or thought they had, to justify the announcement that the mill would be increased to 8,000 tons daily. Yet the best they can do to-day is around 5,000 tons.

Cane Silver

A client wants to know of Cane Silver, and if there is a market for the shares?

Cane Silver is still in existence, but idle. You might write to H. J. Dingman & Co., 45 Richmond St. W., Toronto. They were associated with interests that held the last option on the property.

Adrian

Have you any information, good or bad, on Adrain near Abana?

Very little information is available on Adrian, which seems to be one of numerous operations that flocked into the Abana section when that venture came to be a success. Abana is the only operation in the area that has proven an ore body to date.

Abbey

I hold 1,000 Abbey. Is this a good investment? I hear diamond drilling did not turn out so well.

Abbey Mines is not an investment. It has never been out of the gamble class, the company has put forth a real effort to find ore and for a time was confident, because of the position in relation to Abana, that success would come. It has not and the possibilities of the property are considerably discounted.

Flintoba

Will you give your views on Flintoba and their position in the investment class? What are they worth?

Flintoba shares have no active market in unlisted security market so that it is difficult to tell what they are selling at. The price which you quote is likely what the company is asking for treasury shares. The shares are speculative. The property is located in the Flin Flon area of Northern Manitoba and is a prospect.

Old B. C. Issues

Have you records of Golden Cache Mines, Lillooet, B.C.; Queen Gold and Silver, Vancouver; both inc. 1896?

Our records of British Columbia, while not dating back as far as the date of incorporation of the companies you mention, are fairly extensive, but fail to record any such companies. We would suggest that you write to the Department of Mines, Victoria, B.C., and through their own and the records of the Provincial Secretary, they may be able to tell you the fate of these operations.

Afton Mines

Spent many years in Canada and purchased shares in Afton Mines, then listed on Standard Exchange, Toronto, but now transferred to Salt Lake City and quotations come out in N.Y. Herald-Tribune. Reason given for transfer of listing is 90 per cent. of stock holders are in America, and that quicker action would be obtained on the Salt Lake Exchange. What is your advice on this operation?

You must have had good reason for buying your Afton Mine shares when you did and in the interval we judge that considerable progress has been made on the property. Property is old Emerald Lake Gold Mine and they are now diamond drilling, having completed one hole and started a second.

We have always regarded the operation as more of a market venture than a mining and the switching of the listing from Toronto to Salt Lake, with the head office in New York and the property 350 miles north of Toronto, would seem to leave the impression that markets was not the least of their considerations. Incidentally, getting quotations published in New York papers might have been quite a factor in the switch. New York papers do not publish all Standard quotations. As those behind the company are New Yorkers, we know nothing about them. Better ask the Better Business Bureau for a line on them.

About One Alive

A client holds Empress Cobalt, Porcupine Townsite, Silver Bird, Superior Gold & Copper, Oro McM., Abitibi & Cobalt, Larder Lake Proprietary, Wellington Prospecting & Highland Mary Gold. Are they of any value.

We have checked your list of mine shares and about the only one that seems to be in existence is Porcupine Townsite. It is inactive, but we believe its holdings are still intact.

Why We Do It

As a novice in mining, why are you more favorable to Hollinger than Premier. Why boost Bidgood and not Moffatt Hall, when the latter struck $100 ore. Why laud Noranda to the sky and throw cold water on Stadacona, when we read that it has ore richer than Noranda, and Stadacona on the market sells for $350,000 and Noranda for $125,000,000.

We favor Hollinger as against Premier, for the reason that Hollinger has $60,000,000 ore reserves and immense possibilities of finding additional ore; Premier has about two years ore and its property is about finished.

Moffatt Hall cut $100 ore in diamond drilling. How much of that ore there is no one knows until a shaft is sunk and the ore opened laterally. The company faced reorganization — which is now under way. Bidgood had proven substantial lengths of ore on the 300 and 400-ft. levels and recently cut ore on the 600. Bidgood is a mine but it is yet to be determined how big. Moffatt Hall is a good looking prospect.

Noranda has millions in ore and possibilities of earnings on a large scale for many years. It is a large operation now treating 1,000 tons a day and will soon double this. Stadacona is a prospect that has cut some rich copper ore like many other Quebec prospects, but Stadacona does not know whether it has one ton or a million.

Excellent as Holds

Does the present not offer a good opportunity to pick up some good mine stocks? How about Hudson Bay, Noranda, Sherritt-Gordon, Sudbury Basin, for appreciation in about 18 months or two years?

Shares of Hudson Bay Mining and Smelting are regarded as having good speculative possibilities as a hold. They are now selling between $17 and $18 and many interesting predictions are being made as to what is going to happen to these shares when those back of the operation decide that the time is ripe for a move. When this will come it is hard to tell. The company will hardly get under production before 1930 and will take a good year before shareholders can expect dividends.

Noranda shares are being talked of for much higher prices. The shares moved up so rapidly from 17 to above 60 that it would not be surprising if they stabilized around the present levels, between 48 and 58 for some considerable time. The present prices puts a market value of over $100,000,000 on the enterprise which would seem to be discounting good news for a time at least.

These issues with Sherritt-Gordon and Sudbury Basin are regarded offering fine profit possibilities to anyone with patience to play the mines and not the market. All are base metal operations, but are in good hands, and street followers of the market are quite free in their predictions in regard to their speculative possibilities.

GOLD PRODUCTION SLIGHTLY BELOW LAST YEAR'S TOTAL

Porcupine Improves Some in July While Kirkland Took Tumble

Gold production in Ontario for first seven months of 1928 shows about $40,000 decline over 1927. Porcupine figures are off $2,140,000 while Kirkland Lake's total improved $2,100,000.

In July Porcupine showed an advance over June of $100,000 while Kirkland, despite the longer month fell back near $200,000. This would indicate that Hollinger is doing better, while listing of the mines in order of output, puts Lake Shore again in Kirkland Lake leadership. This undoubtedly points to Teck Hughes being responsible for the decline on the camp's July output.

During July producing mines in order of output were as follows:

Porcupine (8)—Hollinger, McIntyre, Dome, Vipond, Coniaurum, Ankerite, March Gold and Paymaster.

Kirkland Lake (7)—Lake Shore, Teck-Hughes, Wright-Hargreaves, Sylvanite, Kirkland Lake Gold, Barry-Hollinger and Gold Hill.

	1927 $	1928 $
PORCUPINE:		
Calendar year	24,052 073	....
Average per month	2,004.339	....
January	1,926,908	1,956,969
February	1,885,833	1,439.161
March	1,923,737	1,696,320
April	1,964,516	1,628.305
May	1,925,322	1,701,794
June	1,935,354	1,471,019
July	2.051,840	1.576,745
Total to July 31	13,613.560	11,464,313
KIRKLAND LAKE:		
Calendar year	9,704.430	....
Average per month	808,703	....
January	600,354	1,005,886
February	592,230	964,830
March	706,083	1.084,949
April	698,782	884,289
May	857,632	997,145
June	736,811	1,153,313
July	762,749	969,998
Total to July 31	4,954.641	7,060.410
ALL GOLD MINES:		
Calendar year	33,756,503	....
Average per month	2,813,042	....
January	2.527 262	2,962,855
February	2,478,063	2.403,991
March	2,629.870	2,775,269
April	2,663,298	2,512,594
May	2,782,954	2,698.939
June	2,672,165	2,624,332
July	2.814,589	2,546,743
Total to July 31	18,568,201	18.524,723

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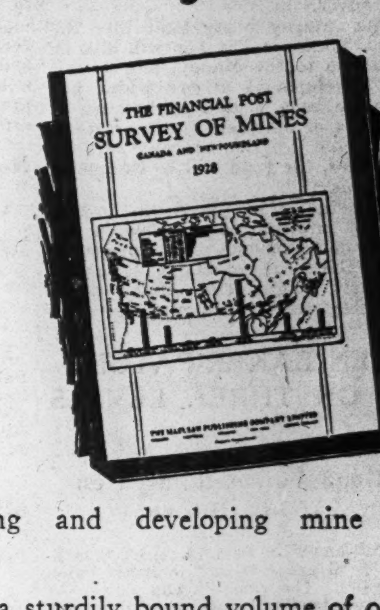

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Mandy Lower Levels Compare Favorably With Those Above

Development Proves Schist Zone Has Same Width at Depth

CROSS-CUTS READY

Every Reason to Hope for Repeating Ore Bodies

By Staff Editor

HAILEYBURY. — Things look very well at the Mandy, M. B. Huston, vice-president of the Tonopah Mining Company of Nevada, informs The Financial Post.

Mr. Huston, whose company is heavily interested in the Mandy, has just returned from an inspection of the Schist Lake property, which lies to the south of, and adjoining the Flin Flon mine in Northern Manitoba.

"The cross-cuts on the three lower levels have been completed and development work has demonstrated the schist zone has the same width and strength on the three new levels as on the levels above,' he states.

"The Mandy ore occurs in a very definite schist zone, having a width of something over 100 feet, and the geological conditions on the lower levels are identical with those above. There is every reason to hope that repeating ore bodies will be encountered, although this can only be proven by doing considerable cross-cutting and drifting in the favorable schist zone on the lower levels."

"The Mandy ore is encountered in lenses in the schisted zone, in the same manner as the Noranda, but in addition to these occurrences, indications of copper have been found in the way of small stringers which may widen out at any time."

Open Up Five Levels

Mr. Huston expressed himself as well satisfied with the progress made in development work at the Mandy to date. A steam-driven mining plant was taken into the property over the winter roads just before the break-up, and the work of assembling and installing the plant completed by the end of May. Shaft-sinking got under way in June, and was carried on through July. During this period 345 feet of sinking, and 65 feet of station cutting was accomplished, the equivalent of 410 feet of shaft-sinking in two months.

The shaft was down to a depth of 200 feet, when sinking was begun in June, having been carried down to that depth during the previous operation of the property. Stations have been established at the 325, 425 and 525 foot horizons. This provides five levels for development, the 110 and 200 having been opened up during the previous operation.

Mandy's present program is one of development to discover ore, states Mr. Huston. Its future plans will depend on the results obtained from the exploration campaign now under way. The work is being carried out by a force of 60 men, working under the direction of Mine Manager Frank L. Smith.

Bullish on Outlook

Developments at Mandy are being closely followed by experienced mining operators and investors, many of whom are very bullish on this property.

Mandy has the distinction of being the only copper producer in Manitoba to date. It was staked in 1915 and subsequently optioned by the Tonopah. It was operated from 1917 to 1920, and some 25,000 tons of copper ore valued at nearly $2,000,000 recovered.

Because of the distance from railhead, only high grade ore was mined. This being shipped out by train and barges to The Pas—transferred to freight cars and sent on to the big smelter at Trail, B.C.

Of the original lense from which the high grade copper was stoped during the war, there still remains approximately 100,000 tons of ore carrying 6 1-2 per cent. copper, 17 per cent. zinc, and over $3 in gold and silver.

The railway being built into the Flin Flon from The Pas will also be available to the Mandy, and permit the development of ore which has hitherto been passed up because of the lack of adequate transportation. According to the present rate of progress, the road will be completed late this fall.

This factor, coupled with the geological information obtained in the latest developments on the property, make the future of Mandy look particularly bright, and affords much encouragement to its supporters.

OPEN BAKER-PATON ON THREE LEVELS

Shaft Now Down 365-ft.—Good Values Secured on 150-ft. Horizon

Callinan Flin Flon is reported making good progress on the Baker-Paton property. The shaft is now down 365 ft. and two crosscuts are being run. Two diamond drills are engaged and an assay plant is being installed.

John W. Callinan, manager, is quoted by a Winnipeg paper as saying that it looks now as though they had an important mine in the making.

First work was done at the 150-ft. level, which revealed 30-ft. of sulphide ore carrying good copper values, and beside it 30-ft. of mineralized quartz.

A new level is being opened at 275 ft.

Geological conditions on the property are considered exceptionally favorable and very interesting surface showings have become more important with depth than was anticipated. Callinan Flin-Flon is in advantageous position, located close to the new Flin-Flon railway and within 30 miles of the Flin-Flon smelters, contributing factors toward cutting down cost of operations.

Two diamond drills, recently put to work on one of the most promising parts of the group, are indicating good ore, and interesting developments are looked for. The first diamond drill started to turn the latter part of June on the Munro claim, and the second commenced operations early in July.

At the Cameron Bay property a trenching program is being completed, and two diamond drills have started operations. Engineers who recently examined the property submitted a favorable report on its possibilities.

Visits Mine

H. E. HARCOURT, M. E., managing director, Jackson-Manion Mines, who has just returned from a visit to the mines with his directors.

AFTON SHARES REMOVED FROM STANDARD LIST

Artificial Market is Reason For Action, Says Secretary Draper Dobie

"Due to the fact that approximately 99 per cent. of our stockholders are in the United States, it has been deemed advisable to list the Afton shares on the Salt Lake Stock and Mining Exchange. In future all stock transactions will be confined to this exchange."

When the above paragraph was noted in a circular issued by Pres. E. W. Mitchell of Afton Mines and sent to shareholders, The Financial Post inquired as to why these shares were no longer traded in on the Standard Stock and Mining Exchange of Toronto.

Secretary Draper Dobie stated that the shares were removed from the trading list when on investigation it was found that the market for the shares was an artificial one. He did not go into details.

Afton Mine shares first appeared on the Standard on Aug. 25, 1927, at $1 and the following record of prices for the first of each month up to the time of removal would seem to indicate that the contention of the Standard officers is right:

Aug. 25	100
Sept. 1	105
Oct. 1	110
Nov. 1	115
Dec. 1	125-6
Jan. 1	125-132
Feb. 1	140-142
Mar. 1	145-146
Apr. 1	155-160
May 1	167-170
June 1	180-183
June 28 to July 16, no trading.	
July 26	212
July 26	212
This was high mark.	
Aug. 1	175
Aug. 7	200
Aug. 10	175.

From the above it will be seen that the shares never had a recession until perhaps it became known that the Standard Exchange was taking action, and then someone may have gone short. On July 26 the shares sold at a high of 2.12 an increase of 1.12 in just one year after the first appearance of the shares. Two days later trading was at 1.75 and it was at this price that the stock disappeared.

In listing the shares on Salt Lake Exchange the company goes in considerably for geography. The head office of the company is in New York City and the property is in Temagami Forest Reserve, some 350 miles north of Toronto. The market for the stock is clear across the continent close to the Pacific Coast.

Afton Mines is operating the old Emerald Lake Gold Mines which at the present time is being diamond drilled. Pres. Mitchell in his letter to shareholders says that the diamond drilling is to be done to 1,000 feet. The old shaft is being ignored and is still full of water. Drilling is being done in another part of the property. Core are being split and sent out regularly for assay.

New President Named For Woodbine Operation

VANCOUVER. — Stanley Burke of Pemberton & Sons succeeds J. B. Watson as president of Woodbine gold mines operating South-west of Premier on Portland Canal area. Mr. Watson becomes president of the board.

It is generally felt that the change has been made to expedite a deal with Premier for treating Woodbine ore. Dale Pitt, Premier manager and Pres. Burke are close friends. Meanwhile Woodbine has retained an engineering firm to make a complete report on its property.

MUCH GOOD NEWS FROM THE MINES STIRS UP MARKET

(Continued from page 25)

of late. There is little news but the public has become convinced that Howey is now a mine and the next move will be some information about mill plans. The fact that power developments are going ahead has been a strong factor.

Bidgood's New Find

Bidgood shares have been quite strong. The new surface find created considerable buying. Reorganization has not been considered as the company has sufficient funds for at least ten months work.

Malartic Strong

Malartic are has opened out in a spectacular way on the 375-ft. level and practically assures a large low grade mine that will be operated at low cost. Higher prices are freely predicted.

Golds Mark Time

The above are just the high spots of the market. The gold issues have continued off color. There is some talk of better things for Lake Shore and Teck Hughes, but these seem to be some distance away. The fact that Kirkland Lake's July production fell off has led many to wonder if the same thing will happen here as at Porcupine where the decline has been steady until last month.

Famous Players Corp. Earns $1.50 a Share

From Our Own Correspondent

MONTREAL.—In the current year which ends August 31, it is understood that the Famous Players Canadian Corporation will show earnings of between $1 and $2 a share on the new common stock. The company occupies a strong liquid position and has no bank loans.

Furthermore, it is reported that the United Amusement Corporation, which owns a group of theatres in Montreal and in which Famous Players own a substantial block of the common stock, will also present a satisfactory annual report for the year which also ends August 31 next. The associated company has no bank loans and is also in a sound working capital position.

WABASSO COTTON PROFITS LOWER IN FISCAL YEAR

Attributed in Part to Tariff Changes—Deficit After Dividends

From Our Own Correspondent

MONTREAL.—The annual report of the Wabasso Cotton Company for the fiscal year which ended June 30 last reveals a decline in operating profits and net profits insufficient to meet the dividend requirements on the larger number of shares which the company now has outstanding.

The year's operations resulted in a deficit of $45,000 after payment of dividends. Due to the issuance of new shares during the year, the company's liquid position has been strengthened and its investment in plant has been increased.

The results of the past twelve months and the working capital position of the company are compared in the following figures with those of the two preceding years:

	Years ended June 30		
	1928	1927	1926
Oper. Profits	$399,281	$456,920	$313,438
Investments	83,856	82,042	82,177
Total Income	$483,137	$538,962	$395,615
Depreciation	150,000	150,000	100,000
Bond Interest	95,247	96,285	98,629
S. F.	21,090	19,760	18,465
Net Earnings	$216,800	$272,917	$178,521
Divid.	175,000	140,000	140,000
Bonus	87,500	52,500	—
	*$ 45,700	$ 80,417	$ 38,521
Int. on Paymts.	31,613	4,797	—
	*$ 77,313	$ 75,620	$ 38,521
Prev. Surp.	749,140	673,519	634,998
P. & L. Surp.	$671,827	$749,139	$673,512

* Deficit.

Working Capital

	Years ended June 30		
	1928	1927	1926
	$	$	$
Curr. Assts.	2,973,307	2,127,241	1,557,095
Curr. Liab.	1,814,489	1,232,889	989,762
Net W. Cap.	1,158,818	894,352	567,313

In the balance sheet, the principal changes are an increase in property account to $4,849,740 from $3,646,735; a reduction in current investments to $294,654 from $614,654; receivables lower at $433,576 as compared with $625,392; and inventories sharply higher at $2,202,959 as against $829,428. Among the liabilities, capital stock is shown up at $3,699,034 from $2,352,888; bank loans up at $410,000 from $200,000; a new item for cotton acceptance of $412,162 which did not appear on the last balance sheet; depreciation up at $1,317,752 from $1,167,752; and surplus down at $671,827 from $749,140.

In presenting the report to shareholders, president C. R. Whitehead says in part:

"In submitting the financial statements your directors regret that the revision of tariff, taken in conjunction with conditions prevailing in the cotton industry both in England and America, have affected the marketing of your company's products, with a consequent reduction of profits."

CAMBIE IN CANADA; SPEAKS OF BRITAIN

Conditions in England are decidedly encouraging, holds Charles Cambie, manager in London, England, of the Canadian Bank of Commerce, who is at present visiting Canada. Mr. Cambie has been manager at London for his bank for the past 13 years, is chairman of the Overseas Bankers' Association and last June was elected a vice-president of the British Bankers' Association, of which the Rt. Hon. Reginald McKenna is president. These offices keep Mr. Cambie constantly in touch with the affairs of the country, and enable him to view the situation completely. In analyzing the situation overseas Mr. Cambie points out that the government is each year wiping large amounts off the debt, and are doing it with little difficulty. To do this the taxation has to be kept high, but it is being met cheerfully and successfully. Trade is improving, and many industries are expanding and developing in large ways. To aid industry the safeguarding policy is becoming more and more favored, and Mr. Cambie expects to see a greater use of this system in the future to aid and develop the industries of the country, and protect them against Continental countries where labor is cheap. Conditions on the Continent are rapidly improving says Mr. Cambie, and as they continue to improve conditions in England will also receive an added impulse. From a banking standpoint England is still supreme Mr. Cambie believes. He has never accepted the idea that London has ceased to be the banking centre of the world.

"I have no doubt that London is and will continue to be the banking centre of the world," he states. "I do not mean by that that Britain is the country with the most money to lend, but speak in the banking sense, and that is the position which London has not lost; in fact, if anything, it is improving its position."

New Map Shows Groups in Patricia and Manitoba

A new map covering Patricia and Manitoba Mining Areas has been issued by A. E. Moysey & Co. It is divided into five sections and a key map and covers Narrow Lake, Woman Lake, Clear Water Lake, Rainbow Lake, Red Lake, Favorable Lake, Central Manitoba and Le Pas, in addition to a number of other districts.

All the principal properties under development in these areas are shown, along with the power lines and railroads.

Western Oil Examiner, Calgary, has just published a year book on Western Oil Companies. Its information on companies is much after the style used in The Financial Post Survey of Mines. Editor Marshall has made a good job on his initial effort.

Lone Shareholder Present to Protest Eng. Electric Plan

English Electric Meeting Postponed to Oct. 25

MINORITY CASE TOLD

Claim Common Position Improved Materially at Expense of Preferred

From Our Own Correspondent

MONTREAL.—Opposition did develop here this week at the special meeting of English Electric shareholders called to consider the proposed plan of capital reorganization. The meeting was poorly attended, and only one local shareholder voiced a protest against the way in which the preferred shares are being scaled down — as he thinks — without any similar sacrifice on the part of common stockholders. The meeting was finally held over until Oct. 25, because the requisite 75 per cent. of both classes of shareholders have not returned their proxies.

At the meeting, the president, R. A. Stinson, announced that although proxies had been received from the holders of a majority of both preference and common shares of the company, favoring the capital reorganization, it was not the present intention of the directors to take action until at least 75 per cent. of the shareholders of both classes of stock had given their approval.

He stated that the shares of the English Electric Company are very widely distributed and that while the large shareholders without exception have given their approval, directors were of the opinion that every opportunity should be afforded the smaller shareholders to give the matter full consideration, and that the meeting would therefore be adjourned until October 25 next for that purpose.

The claim is made by those that oppose this plan, that under existing conditions it is virtually impossible to plead properly their case because the underwriting house which originally floated the issue is no longer in existence and although the great majority of shareholders are scattered throughout Ontario and parts of the United States, the meeting is through legal necessity being held in Montreal, which makes it very difficult for the minority opposition to get any massed support for their plea.

Common Benefit

As already pointed out in The Financial Post, the claim put forth with considerable vehemence by the minority is to the effect that the plan is a very real discrimination against preferred shareholders. As was pointed out at the Montreal meeting, objection is not taken so much to the fact that preferred interests have been pared down, but rather to the fact that there has been no sacrifice but rather the opposite) at all on the part of the common shareholders. In other words some preferred shareholders quite realize the necessity of making a sacrifice, but they believe that a similar sacrifice should be made on the part of common shareholders.

As the present plan stands, it is maintained, preferred shareholders sacrifice arrears; preference as to assets; cumulative dividends; and a substantial amount of voting power. On the other hand the position of the common shareholders—who put little or nothing into the plant in the first place—is materially improved, they having achieved more voting power; while their hope of receiving dividends has changed from being virtually hopeless, to an exceedingly bright one. They also under the plan have achieved equality as to assets, whereas previously the preferred shareholders had the preference in the event of liquidation.

The stated objection on the part of the Montrealer who placed his case before the meeting this week is as follows:

"I have received your proposed scheme of capital structure of the English Electric Company of Canada, and regret to find it is apparently so inequitable to the preferred shareholders.

"While some scheme of recapitalization may be desirable, any **such scheme should maintain the equivalent relative status between the present two groups of shareholders.** Your proposal requests the preferred shareholders to reduce very materially their claim on the company both with regard to assets and dividends, while appreciably improving the position of the common shareholders. You also propose to reduce their present voting power in the management of the company.

"With regard to **assets**, the balance sheet as at December 31st, 1927, shows the amount of $2,619,753 available for capital account, and in the event of liquidation the preferred shareholders are entitled to the par value of their stock $2,000,000 plus $640,000 arrears of dividends before any distribution is made to the common shareholders, which means that so far as assets are concerned, the common shareholders had little or no equity in the company at that date. Under the proposed scheme of arrangement in any involuntary liquidation Class A and Class B shareholders share equally share for share in distribution of shareholders' assets, and as it is proposed to give the present preferred shareholders 40,000 A shares and 10,000 B shares, and the present common shareholders 30,000 B shares, the preferred shareholders are to be deprived of 37½ per cent. of their present security, while on the basis of the last annual report the equity of the common shareholders is increased from nothing to $982,400.

"With regard to **dividends**, the president's letter of June 22nd, 1928, states that the earnings during the period when these arrears accrued did not permit of payment of more than the amounts declared on the 8 per cent. cumulative preferred shares and the arrears constitute a first charge on the company, which there is no prospect of discharging. Accordingly there is no prospect under the present capitalization of the common shareholders participating in the revenues of the company for a very considerable time to come.

"In the original prospectus of the English Electric Company of Canada, issued in 1927, there is a letter from Mr. Gordon F. Perry, chairman of the board, to the syndicate of underwriters, in which it is stated, 'The average annual earnings available for dividends of the Canadian Crocker Wheeler Co., Ltd., for the past five years have been more than sufficient to meet dividend requirements on the preferred stock of the new company, and I believe the preferred stock to be a sound investment'. The annual reports of the directors for 1923 to 1926 refer to sales being affected by business depression when electrical business was decidedly sub-normal and by the coal strike in England in 1926 seriously delaying deliveries from the parent company's English works. These factors have now, however, disappeared, and the earnings for 1926 and 1927 and presumably the expected earnings for 1928, have all exceeded the amount required for payment of the 8 per cent. preferred dividend. It would seem therefore, that the present preferred shareholders have a very satisfactory outlook for future dividends at the current rate and even a possibility of some return on the accumulated arrears. The report of the directors submitted on July 31st, 1925, when the arrears amounted to nearly $24.00 per share, and while business was at its worst, states "I would again like to assure the shareholders that your company is in a sound position to show ample earning power on both classes of its stock with the return of somewhat normal business conditions." If that was then true the situation at present should be at least as favorable to the preferred shareholders, for the balance to the credit of the profit and loss account has been steadily increased from $229,092 in January, 1923, to $319,844 in January, 1925, when the above statement was made to $469,953 in January, 1928. If the arrears of dividend should be cancelled, it should at least be recognized that this increase in the profit and loss account represents preferred dividends earned, but not paid, and is an additional investment by the preferred shareholders in the company.

"Notwithstanding the improved outlook for the preferred shareholders, the provisions in regard to dividends in your scheme of arrangement are very decidedly in favor of the common shareholder.

"A comparison of rights of each class of stock is as follows:

20,000 Preference Shares
are entitled to
(1) 8% per anum. Total $160,000.

(2) Dividends not paid are cumulative.
(3) Arrears of $38.00 per share on Sept. 30th. 1928, totalling $760,000, of which $469,753 at credit of profit and loss and $150,000 at credit of Common Stock on Balance Sheet as at December, 1927, represent a reserve.

40,000 Class A Shares
are entitled to
(1) $3.00. Total $120,000.
Participating if earnings justify beyond above on share for share basis with Class B shares until distribution of $200,000 of which Class A share is $4.00. Total, $160,000.
(2) Dividends not paid are non-culmulative.
(3) No arrears.

"Each of the above represents a material sacrifice of rights which are by no means compensated for by additional allotment of one-half share Class B stock for each present preferred share.

$30,000 Common Shares
are entitled to
(4) All earnings after payment of arrears of $760,000 up to Sept. 30th, 1928, and $160,000 per annum to preferred shareholders.

30,000 Class B Shares
are entitled to
(4) Participating in earnings immediately after payment of $120,000 per annum to Class A shares, and receive entire earnings over $200,000 per annum. Also entitled to receive payments out of present Profit and Loss Balance.

"The position of the common shareholder as regards dividends is therefore transformed from an almost hopeless outlook for at least several years to one of extreme probability in the near future.

"May I present a statement pointing out how the present basis and the proposed scheme work on the actual earnings of the past five years, on the assumption that such amounts are available for dividend purposes. It is recognized that these five years have not been normal and the statement would show the inequality of the scheme considerably more in more prosperous times.

Proposed Capitalization

Year	Earnings After Depreciation	Income Tax	Payable to Preferred		Payable to Common	Balance Forward
1923	35,659	....	Class A— .50	20,000	.....	15,659
1924	55,092	....	Class A—1.50	60,000	.....	10,751
1925	24,003	....	Class A— .50	20,000	.....	14,754
1926	163,156	2693	Class A—3.50	140,000	.....	.....
			Class B— .50	5,000	15,000	15,217
1927	178,577	*13134	Class A—3.50	140,000	.....	.....
			Class B— .50	5,000	15,000	20,660
	456,487	15,827		390,000	30,090	

"Thus, while during these five years the entire earings have been payable (cash or deferred arrears) to the preferred shareholders, and future earnings mortgaged to extent of $359,340, yet under the proposed scheme common shareholders could have received $30,000 and the balance of $20,660 would also be available for them to participate in if future earnings should exceed $120,000 per year.

"With regard to voting power, the preferred shareholders have now a vote for each share representing 40 per cent. of the total voting strength of the company, while under the proposed scheme voting strength will be confined to Class B shares, of which only 25 per cent. will be in the hands of the preferred shareholders. Further, while shares were preferred both as to assets and dividends, and the preferred dividend was cumulative the vote was not so necessary for the protection of their interests.

"I note that the 'directors who are large holders of both classes of stock unanimously approve of this scheme,' but I hope they are prepared to give further consideration to the preferred shareholders' claims. Personally, I cannot see how any preferred shareholder can regard it favorably unless he is also a holder of a still larger number of common shares.

"My criticism is not directed against the re-organization of capital structure, but against the proposed allotment of shares, and I feel that the common shareholders would still be receiving all they are entitled to both in law and equity if the Class A shares were made preferential to extent of $55.00 per share in distribution of assets both in the event of an involuntary as in a voluntary liquidation, and also that the distribution of Class B shares should be share for share to preferred shareholders, and one-half class B share for each present common share leaving balance of 15,000 shares in the company.

"I shall be much obliged if you will give me an acknowledgment of this letter, and if I have misconstrued either the present position of the shareholders or your proposed scheme I shall be glad to be informed.

(Signed) T. B. Hughes."

Canada is Sixth as Cement Maker

The United States is the world's greatest cement maker, the Commerce Department of that country reports. It produces approximately 173,000,000 barrels, or nearly 48 per cent. of the world total of 397,000,000.

Germany ranks second with annual output of 42,000,000 barrels. France with 30,000,000 is third. England makes 29,000,000 and the rest of Europe 76,000,000.

Japan is the principal cement producer among remaining nations, at 15,000,000 barrels annually. Canada produces 9,000,000, Asia exclusive of Japan 8,000,000, Australia and New Zealand 5,000,000, South America 3,000,000 and Africa 3,000,000 barrels.

BIG COKING PLANT IS PROFIT-MAKER FOR CORPORATION

Many Valuable Uses for By-Products of This Plant

You could run races on top of the Algoma Steel Company's coke plant.

For hundreds of yards there is a flat cinder roof—just a few inches above the roaring coke furnaces. If you look closely you will see that the track is studded with small round disks and by lifting these disks you can look right into the heart of the fiery fury that rages beneath.

Day after day the process continues—there is no break in the continuity and the furnaces are kept roaring 24 hours every day. It takes between 18 and 20 hours to produce coke in these furnaces and then the coke is "broken down" and immediately refilled for another baking. In all there are 160 furnaces capable of producing 2,500 tons of coke per day in addition to a large quantity of ammonium sulphate and tar. These latter are, of course the by-products driven off as the coal becomes coke and in a month or so benzol will be an additional by-product when the new plant gets under way.

To make coke you mix pocohontas coal with a highly volatile coal in the proportion of 30 per cent. of the former to 70 per cent. of the latter. This is then screened, crushed and poured into the furnace.

It Just Bakes

The furnaces themselves are huge clay troughs and once the coal is poured in the furnaces are sealed and during the whole process of burning no air is allowed to touch the mixture. The heat is applied at a temperature of 2,600 degrees Fahr. outside the clay box so that literally the coal is baked rather than burned with the result that the residue is pure carbon or coke.

When the baking has taken place for 18 or 20 hours the side of the furnace is removed and the long thin slab of coke is pushed out or broken down and taken to an automatic bath which sprinkles it with exactly the required amount of water. It is then dumped, fed onto a belt and screened in a modern screening plant which was installed about a year ago.

This screening plant is an exceptionally fine piece of equipment and is capable of producing all the various types of domestic and commercial coke such as egg, stove, nut, pea, breeze and so forth.

Gas is Valuable

Next to the coke the most valuable by-product is the gas which is produced at the rate of 20 million cubic feet every 24 hours. Practically half of this gas is surplus and is sent to the steel mills direct, where it is washed, purified and used for the soaking pits and reheating furnaces. Another part of the gas, of course, is used to heat the coke furnaces themselves so that the cycle is a never ending one. Then there are the two other important by-products already mentioned, namely ammonium sulphate and tar.

The fact that the company now has a modern screening plant opens up a market for 150,000 tons of coke per annum. At the present time the company supplies the entire requirements of International Nickel and Mond Nickel Company and this year these two together will take over 100,000 tons of coke per annum. This added market has materially stabilized the operations of the coking plant so that at the present moment it is an exceedingly profitable part of the company's investment.

Moirs Gets Important Retail Sales Contact

From Our Own Correspondent

MONTREAL.—Moirs Limited recently concluded a long-term sales contract with United Cigar Stores, involving the sale by United Cigar of Moirs confectionery products at its 370 stores and agencies throughout Canada.

Moirs, Limited, are understood to be enjoying very satisfactory business for the current year to date. It is expected that sales will show a substantial increase in the last quarter of the year as a result of campaigns to be carried on in connection with new goods which the company is putting on the market.

The benefit of the company's new plant, built last year at a cost of approximately half a million dollars, is now felt in production costs, which are being steadily reduced. The company's liquid position is reported to show material improvement by comparison with that of a year ago.

Appoint Consultant for Barry Hollinger

W. E. Simpson, mining engineer, Swastika, Ont., has been appointed consulting engineer of Barry-Hollinger Gold Mines and Patterson Copper Mines, Boston Creek, and will act in collaboration with Richard Treloar, manager of both properties.

Mr. Simpson is an Associate of the Royal School of Mines, a member of the Institution of Mining and Metallurgy of London, England, and a member of the Canadian Mining Institute, and knows the Boston Creek district thoroughly, having been connected with the Miller Independence Mines a number of years ago. He was associated with some of the biggest gold mines of Western Australia, and was for two years, general manager of the Einasleigh Copper Mines in the Chillagoe district of Northern Queensland, and there gained an experience which should prove useful in the development of the Patterson properties, where some high grade copper ore is at the present time being uncovered.

Quebec Power May Retire Bond Issue

From Our Own Correspondent

MONTREAL.—The assumption here is that the 6 per cent., first mortgage bonds of the Quebec Power Co. are to be called. This week it is understood that the investment house of Aldred and Company has been bidding for the bonds and the price has strengthened materially. Quebec Power during the past year has redeemed the several bond issues of its subsidiaries. Hence the new financing will probably be required. The bond issue of which there is $5,000,000 outstanding is the sole mortgage obligation of the company. Up to October 1 next, the issue is callable at 110; after that date the call price drops to 107½. Hence it is felt that the issue will be called next April, the next interest date after October — though there exists the possibility of the bonds being redeemed before that date.

See Betterment Now for C.P.R. Subsidiary

MONTREAL.—The outlook at the moment indicates some hope of a betterment in the earnings of the Minneapolis, St. Paul and Sault Ste. Marie Railway of which the Canadian Pacific owns 51 per cent. of the preferred and common shares. Of late years, this large subsidiary of the C. P. R. has been of little benefit to the parent company as a source of revenue due very largely to the depressed agricultural conditions in the north western states.

As the Soo Line is largely a grain road, earnings during the first half of the year, when the crops are not moving, are always unsatisfactory. It is during the last few months of the year that the shipments of agricultural produce bring earnings up to a level where they can, as a rule, take care of all charges other than dividends. During the first half of the year the road usually shows a deficit. But, for the first six months of 1928, the deficit after charges was $1,166,172 as compared with $1,739,930 for the first half of 1927. The second half of this year seems to hold better promise for the Soo Line. Within a few days the heaviest crop of record will begin to move from Western Canada. A proportion of this grain will find its way over the Soo line to the Twin Cities for milling. Agricultural conditions in the States appear to show some betterment which should also have a satisfactory effect upon the earnings of the subsidiary railway company. If the Soo line could ever work its way into a really satisfactory earnings position, the benefit to the Canadian Pacific would be substantial, due to the heavy investment which the C.P.R. has in the U. S. road.

AEROPLANES FOR COAST

VANCOUVER.—The Dominion Government has ordered two DeHaviland Moth airplanes for the Vancouver Light Airplane Club, to be delivered at once, the club having complied with the conditions laid down by the government.

Unlisted Mines

	Bid
Aldermac	2.00
Alexandria	.50
Assoc. Gold	.10
Astoria	.5
Blue Quartz	..
Brett-Tr.	.20
Brit. Can.	.7
Brownlee	.13
Callinan F. F.	.50
Can. Kirk.	.2½
Cobalt Contract	
Creighton F.	.53
Eldorado	.45
Elstone D.	.4
Enterprise Cons.	.25
Epplett-M.	..
Fiske Gold	.1
Gem Lake	.30
Gold Centre	.3
Grazelle	.10
Gull Kirk.	..
Harker	.17
King Kirk.	.5½
King Eastern	.5
K. Hudson Bay	.11
K. Townsite	.3
Lartic	.32
Lebel Lode	
Manitoba B.	.85
March G. (old)	.4
March G. (new)	.35
Marshay Z.	.20
McMillan G.	1.45
Northland	.16
Old Colony	.37
Ore Chimney	.9
Ostrom	.7
Paterson C.	.30
Queen Lebel	.11
R. Gold Pan	.33
Salmo M.	.35
Walsh K.	.9
Westree	.4
Wood K.	.16

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DIRECTORS' REPORT

Shareholders and others who may be interested in the Northern Quebec Mining Field will be interested in the report of three of the Astoria Directors, Mr. Tanguay, Mr. Parent and Mr. Price, who recently made a visit of inspection to the property.

The report is going out this week to all the Astoria shareholders, and any one not a shareholder may obtain a copy by writing to the Ontario office of the Company.

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Gibson's Fortnightly Mining Review

The current issue contains illuminative articles on Wright-Hargreaves, Howey, Hollinger, Noranda and other mining companies, which should prove of interest to the investor.

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